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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Saturday-Sunday, February 26-27, 1994 — No. 34,522

'A Loathsome Criminal Act'

—Yitzhak Rabin

Massacre Inflames Palestinians, Peace Talks to Go On

Negotiations To Return to Washington

Compiled by Our Staff From Dispatches

WASHINGTON — President Bill Clinton on Friday condemned the Hebron mosque massacre as a deliberate attempt to torpedo Middle East peace and announced that Israel and the Palestinians had agreed to move their peace talks back to Washington under U.S. auspices.

He said his goal was "to thwart the purpose of the murder and reinvigorate the peace process."

"Extremists on both sides are determined to drag Arabs and Israelis back into the darkness of unending conflict," Mr. Clinton said at a news conference.

"The answer now," he said, "is to redouble our efforts to conclude the talks between Israel and the Palestine Liberation Organization and begin implementation of the agreement they have made as rapidly as possible."

He referred to Israeli-PLO efforts to come to final terms and carry out a peace accord in the occupied West Bank and Gaza Strip, which they signed in September in the White House.

He said the United States had asked Israel and the PLO to send their negotiators back to Washington "as soon as possible and to stay here in continuous session until their work is completed."

"They have both agreed to do that," he added.

A U.S. official said the talks would resume early next week. He said their aim would be to resolve final details of an agreement on transition to Palestinian rule in the occupied territories reached in Cairo on Feb. 9 by the PLO chairman, Yasser Arafat, and Foreign Minister Shimon Peres of Israel.

Mr. Arafat told Secretary of State Warren M. Christopher in a phone conversation Friday that it was crucial to calm the situation quickly, the official said.

Mr. Clinton opened his news conference by expressing outrage that "such a gross act of murder could be perpetrated."

He said his proposal was designed to give "a sense of urgency" to the negotiations and to keep the massacre from becoming another obstacle to settlement. *(Reuters, AP)*

Jerome Delay/The Associated Press

Palestinians carrying a man wounded on Friday during rioting in Hebron as disturbances spread throughout the occupied territories after the killings by an Israeli settler.

Mass Killing At Mosque Ignites Riots

Compiled by Our Staff From Dispatches

HEBRON, Israeli-Occupied West Bank — A Jewish settler armed with an automatic rifle and hand grenades gunned down dozens of Muslims on Friday as they kneeled in prayer at a mosque before he was overpowered and beaten to death by enraged worshipers.

The massacre ignited riots that spread throughout the occupied territories.

Prime Minister Yitzhak Rabin of Israel called the killings a "loathsome criminal act" by a deranged man and said it should not be allowed to derail the peace process.

Hospital officials said 54 Palestinians had been killed and about 170 wounded in the mosque shooting and in riots in Hebron and other West Bank towns, the Gaza Strip and the old walled city of Jerusalem. They estimated that at least 40 had been killed in the mosque and the rest by Israeli soldiers in the subsequent riots.

Palestinian officials said 43 worshippers had been slain in the mosque and 6 Palestinians killed in clashes with Israeli soldiers outside a hospital in Hebron where many of the bullet-riddled bodies were taken.

The attack by the settler, Dr. Baruch Goldstein, was the worst since Israel captured the occupied lands in the 1967 Middle East war.

It took place at the Ibrahim Mosque, where 800 worshipers had gathered for Ramadan prayers. The mosque is situated at the Tomb of the Patriarchs, a 2,000-year-old shrine where Abraham is said to be buried, and which is sacred to Muslims and Jews.

Hebron, a flash point of violence for decades, is the only Palestinian town with a Jewish settlement in it. It is also a stronghold for Hamas, the Muslim fundamentalist group that opposes any peace deal with Israel.

The attack at the mosque began about 5:45 A.M. after an evening of tension in which Muslims and Jews quarreled over rights to the site. Each was marking a major holiday, the Muslims the holy fasting month of Ramadan, and the Jews Purim, a holiday celebrating the saving of the Jews from an ancient Persian king.

The attacker returned to the mosque early Friday, armed with a pistol, grenades and an Israeli-made Galil assault rifle, which can fire 750 rounds per minute. His face was covered with a white scarf.

The carnage took place in a prayer room measuring about 20 meters 30 meters (70 by 90 feet). The gunman stood near the only entrance and opened fire on the back rows of worshipers as they knelt, heads to the floor, for dawn prayers, witnesses said. Worshipers had no escape route.

"He was trying to kill as many as possible," said Mohammed Suleiman Abu Saleh, a guard at the mosque. "The floor of the mosque was full of bodies and blood."

Worshippers knew the gunman as a doctor from the settlement of Kiryat Arba, a militant Jewish enclave in Hebron.

Settler leaders said that Dr. Goldstein, believed to be about 40, was from New York and at the time of his death was a major in Israel's army reserves. They said he was a supporter of the anti-Arab Kach movement founded by Rabbi Meir Kahane, who was assassinated in New York in November 1990.

The Itim news agency said a group calling itself the "Organization of Avengers" called Israel Army radio and said the killings were in reprisal for Rabbi Kahane's murder.

An army spokesman, Lieutenant Colonel Ye-

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Killings Stun Peace Process

Clinton's Move to Transfer Talks Welcomed

By Caryle Murphy
Washington Post Service

CAIRO — As condemnations of an Israeli settler's massacre of dozens of Palestinians spread around the world, Arab analysts predicted that the killings could severely complicate negotiations to launch Palestinian self-rule in the occupied territories unless extraordinary measures were taken.

President Bill Clinton's initiative to bring those negotiations immediately to Washington — an invitation that Mr. Clinton said both sides had accepted — may be just what is needed, they added.

"I think it's high time that the American government put some impetus and give a shot in the arm to the peace process, and Mr. Clinton's move would fall into that process," said Nassif Hitti, a senior official of the Cairo-based Arab League.

No one is suggesting that the peace process launched by September's Israeli-Palestinian accord has been mortally hurt by the massacre — the single largest group of Palestinians killed since Israel seized the Arab territories in the 1967 Arab-Israeli war.

Most Western and Arab officials said instead that the potential for escalating violence created by the early morning attack in a West Bank mosque by an American-born Israeli settler requires that the negotiations be speeded up.

"We need to speed up the process, which is still very

NEWS ANALYSIS

fragile," Mr. Hitti said. "It's not enough to express condolences."

He added that the "substance" of the talks was "Israeli troop withdrawal from the occupied territories.

"American help is much needed in this respect," he said.

Until Friday, the Israeli-Palestinian talks were apparently headed for a breakthrough in about two weeks. Yasser Arafat, chairman of the Palestine Liberation Organization,

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Caldron of Death in Shrine

Worst Bloodshed in West Bank Since '67 War

By David Hoffman
Washington Post Service

HEBRON, Israeli-Occupied West Bank — In the ancient hall, surrounded by marbled walls and Herodian ramparts, Sharif Zahdi, wearing a simple brown sweater and scarf, knelt to touch the ground at dawn Friday as the words of the Koran echoed through the mosque.

He was in the last row of worshipers, his back to the doorway, when the bearded, uniformed Israeli came through. Baruch Goldstein, a Jewish settler who was a major in the Israeli Army, squeezed the trigger of his army-issued Galil automatic rifle.

"I was one of the first hit," Mr. Zahdi recalled, as he lay in the hospital, a huge bandage covering his chest wound. "When I heard the shots, I felt the bullet. The man next to me, his brain was blown out of his skull. He raised his index finger, to show — when one feels death coming — that he believes God is one. And I felt like I wanted to die."

In a few moments, the hall was turned into a caldron of death. Dr. Goldstein fired dozens of bullets into the backs of kneeling worshipers, according to survivors. Blood filled the floor and witnesses recalled hearing "bombs" or grenades exploding around them. Those who were still alive among the hundreds of Muslims who had come to Friday prayers scrambled for the exit in a blood-drenched panic.

The angry crowd seized the settler and pummeled him to death with metal rods, the Israeli authorities said later after examining his body.

Witnesses said the Israeli soldiers who usually guard the compound arrived at the scene too late to keep Dr. Goldstein from reloading his weapon and opening fire again.

As survivors shouted "Allah Akbar," or "God is Great," men struggled to lift the dead and wounded to waiting cars, their traditional Palestinian scarves soaked in red.

It was the worst bloodshed in a single incident since Israel captured the West Bank in the 1967 war, and it came at a place that has long been a fulcrum of tension between Arabs

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Kiosk

U.S. Expels a Russian Over Spy Case

The United States ordered the expulsion of a Russian diplomat Friday after Moscow failed to withdraw him voluntarily in the CIA espionage case. This was reported by the State Department after President Bill Clinton said the United States had made it clear to Moscow what it should do. "If they do not do that, then we will take action and we will take it quickly," Mr. Clinton said at a press conference.

The Russians had failed to act on an American request to withdraw the diplomat, believed to be a Russian intelligence agent who supervised Aldrich Hazen Ames, a CIA official who was charged this week with spying for Russia. (Page 3)

In Other News

Britain Tries to Head Off Malaysian Boycott

Britain on Friday attempted to head off a trade boycott by Malaysia that is threatening contracts worth billions of dollars.

Malaysia earlier banned British companies from government contracts, saying it was sick of British press allegations of official corruption and of a link between aid donations and an arms deal. (Page 5)

Bond Futures Plunge in Germany and France

German and French government bond futures plunged in heavy trading on Friday as the European sell-off in bonds continued. Meanwhile, tensions on currency markets brought further instability as the dollar slipped to 104.700 yen in late trading on Friday, compared with 104.900 yen on Thursday. (Page 9)

Newsstand Prices

Andorra	9.00 FF	Luxembourg	60 L. Fr
Antilles	11.20 FF	Morocco	12 Dh
Cameroon	1,400 CFA	Qatar	8.00 Rials
Egypt	E.P. 5000	Reunion	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R.
Gabon	960 CFA	Senegal	960 CFA
Greece	300 Dr.	Spain	200 PTAS
Ivory Coast	1,120 CFA	Tunisia	1,000 Din
Jordan	1 JD	Turkey	T.L. 15,000
Lebanon	US$ 1.50	U.A.E.	8.50 Dirh
		U.S. Mil. (Eur.)	$1.10

Dow Jones
Down
1.12
3,838.78

Trib Index
Down
0.29%
114.45

The Dollar

New York	Fri. close	previous close
DM	1.711	1.7169
Pound	1.4885	1.485
Yen	104.80	104.90
FF	5.81	5.833

OLYMPIC PODIUM

Ukrainian Outshines Kerrigan for Gold

By Ian Thomsen
International Herald Tribune

HAMAR — Nancy Kerrigan, the 24-year-old American whose knee was clubbed last month by a rival's camp, was beaten to the Olympic figure-skating gold medal Friday night by a 16-year-old Ukrainian shaped by more tragedy than Kerrigan has ever known.

There had been a sense that the sensational assault upon Kerrigan would deliver her first major international championship, but the story told by Oksana Baiul's free program was ultimately more compelling. She told it in four minutes, with eyes forever threatening to well over and a smile always one blink from sadness.

Behind Baiul and Kerrigan, the bronze medal went to 17-year-old Lu Chen of China, who exchanged places with Surya Bonaly of France following a disastrous performance by the four-time European champion. Former professional Katarina Witt, the 1984 and 1988 Olympic champion, finished a disappointing seventh, one place ahead of the self-destructive Tonya Harding, whose first attempt at her long program sent her off the ice in tears.

Baiul, the 1993 world champion, made the night hers in the manner widely anticipated for Kerrigan, who stood first Wednesday after the technical program, worth one-third of the total score. The vote was close, however, with Baiul and Kerrigan splitting the judges' first-place votes, 5-4.

But the least of Baiul's problems faintly resembled Kerrigan's. During practice

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Jerry Lampen/Reuters

Tonya Harding showing her skate to referees after stopping 45 seconds into her free-skate program; the judges allowed a delay, but she only managed to finish eighth.

Hot Asia Market Pits Competitors For Arms Sales

By Michael Richardson
International Herald Tribune

SINGAPORE — U.S. and European arms makers, hit by falling military budgets and slack sales at home, are preparing for an intense bout of competition in the Asia-Pacific region — the only part of the world where defense purchases are growing strongly.

Industry officials and analysts attending an Asian aerospace show that ends Sunday say the battle will do much to determine which sectors of the Western military-industrial complex are to survive into the 21st century.

To keep production lines open and hold down costs, "the U.S. defense industry will have to pursue export markets as never before," said Joel L. Johnson, vice president for international affairs of the U.S. Aerospace Industries Association.

He said that competition for export sales with Europe, including Russia, would "involve higher stakes, and hence tougher tactics by both companies and their parent governments, than anything we have seen to date."

The United States now accounts for more than 50 percent of the world's trade in arms, followed by Britain with a 20 percent share and then France.

However, the value of global trade in weapons is estimated to have shrunk steadily to under $30 billion last year, from more than $50 billion a decade ago.

Many Western arms makers are looking to the Asia-Pacific to sustain future sales.

Gareth C.C. Chang, president and chief exec-

See ASIA, Page 4

Russia Adds 300 to UN Peacekeeping Force

Reuters

MOSCOW — The Russian legislature, eager to promote a stronger international role for Moscow, voted Friday to send 300 additional soldiers to the former Yugoslavia under United Nations auspices.

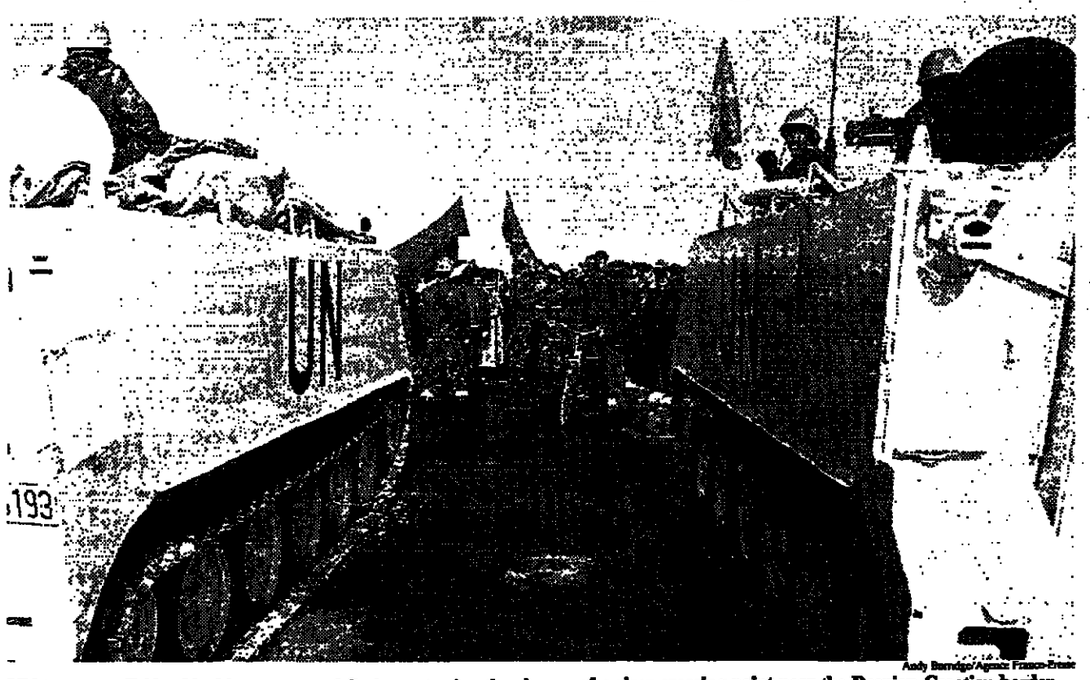
The legislature's upper chamber, the Federation Council, voted, 118 to 2, to send the troops in response to an appeal from President Boris N. Yeltsin, who stressed Russia's "special role" in settling the Bosnian crisis.

"This will symbolize Russia's growing central role in a Bosnian settlement," Moscow's senior negotiator on former Yugoslavia, Vitali I. Churkin, told the deputies.

The resolution mentioned only Sarajevo, but Mr. Churkin said after the vote that some of the troops would be sent to reinforce a Russian battalion in Croatia. The battalion sent 400 peacekeepers to the Bosnian capital last weekend.

Mr. Yeltsin said Russia was responding to a request by the UN secretary-general and "insistent appeals" from the leaders of Yugoslavia and the Bosnian Serbs.

The parliamentary resolution also urged the president and Russian Foreign Ministry to step up efforts to settle the Bosnian crisis through peaceful means.



Andy Barnidge/Agence France-Presse

UN troops on Friday blocking a group of Serbs protesting the closure of a river crossing point near the Bosnian-Croatian border.

■ Muslim-Croatian Truce

Muslim and Croatian fighters continued shooting in central Bosnia on Friday despite a cease-fire signed by their commanders, but UN officials said the violations were not significant, news agencies reported from Vitez, Bosnia.

The cease-fire, an attempt by the United Nations to build on a successful truce in Sarajevo, began at noon after fierce fighting during the previous 24 hours.

In Vitez, the central town of the contested Lasva Valley, where the Muslims have 65,000 Croats surrounded, the United Nations reported 24 violations — mostly small-arms fire — in the first two hours of the agreement.

In northern Bosnia, nine Danish tanks on Friday reached the besieged Muslim enclave of Tuzla to help the United Nations open the town's strategic airport, witnesses said. The tanks were delayed for almost five months, first in Belgrade and then in the Croatian port of Split, before reaching the Serb-besieged town.

The Clinton administration said Thursday that it would be host to talks in Washington this weekend on a U.S.-backed peace initiative for Bosnia that would unite those parts of the country held by Muslims with those held by Croats.

The goal of the initiative is to avoid a three-way partition of Bosnia-Herzegovina along ethnic and religious lines. It is intended to create an independent state of at least the Muslims and Croats, who were allies against Bosnian Serbian nationalists in the first stage of the civil war, which began nearly two years ago.

The obvious gap in the plan as it is now conceived is that it does not deal concretely with the Serbs, who control more than 70 percent of Bosnia's territory and would not have much reason to accept such a proposal without further inducement. *(Reuters, NYT)*

EU Strains Show on Northern Growth

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Union's negotiations starting this weekend to take in four new members, intended to reinforce European unity, instead risks widening divisions between the bloc's southern and northern members.

Fearful that the addition of Austria, Norway, Sweden and Finland will dilute their influence and shift the Union's balance of power to the north, Mediterranean countries led by Spain and France have hardened their bargaining postures.

One senior French official criticized EU negotiators for compromising too much to meet an early March deadline. The existing 12 members already are floundering in their attempt to extend common decision-making to foreign policy, as the divisions over the war in the former Yugoslavia show, he said.

Any weakening of the *acquis communautaire* — the obligations of Union membership — to pull in new members could prove fatal to the bloc's hopes of deepening political integration, he said.

Europe's stance, this official said, should be, "You take it, all the better. You don't take it, too bad."

But such hard-line talk is rankling to German officials. Bonn regards membership for the four applicants as merely the down payment on its real goal: extending the Union's reach to the countries of Central and Eastern Europe.

If the talks fail because of French or Spanish intransigence, that would show that the Union is "selfishly concentrating on itself," a German diplomat said. "The Germans will get the message that the Union is not interested in taking care of Eastern Europe, and that will have major repercussions for the German attitude toward the Union."

Illustrative of the split is Spain's demand — supported by Britain — to maintain existing voting rules, which among other combinations allow Spain, Italy and Greece to act together to block major initiatives. That is vital, "especially in a Community that is moving toward the north," a Spanish diplomat said.

But that sort of olive-oil bloc "is a recipe for disaster," said the German official, who backed an increase in the votes needed to block action. "The bigger the Union gets the easier it must be to achieve a qualified majority," he said.

Despite the divisions, there were optimistic signs ahead of the talks, which start Saturday and are likely to run through Tuesday.

EU officials agreed earlier this week to extend roughly 200 million European currency units a year of aid for Austria's depressed easternmost province and the far northern regions of the Scandinavian countries. There were also signs of compromises to align the four countries' sky-high farm prices with EU levels and overturn Vienna's ban on foreigners owning vacation homes in the Austrian Alps.

Still, diplomats said the only strong bets to conclude a deal were Finland, which has grown even more eager for an EU anchor since the victory of extreme nationalists in Russia in December, and Sweden.

The biggest hurdle is Norway, where voters rejected a previous membership accord in 1973 and where opposition remains high. To win a referendum later this year, Oslo insists it must defend its vital fishing industry. It is demanding to keep tight control over its fishing waters and obtain unrestricted access to EU markets for its catch.

That won't do for Spain, however, which has the largest fishing fleet in the Union. It was banned from Norwegian waters in 1981 and wants back in. Madrid also wants restrict Norway from selling into the EU market for a period, just as Spain's sales are under a 15-year transition. Spain is supported strongly on the this by France, where fishermen rioted last month to protest a flood of imports.

Austria's prospects hinge on its demand to maintain a pact with the Union limiting truck traffic in the Tirol for 10 years. EU officials say the pact violates its single market and are insisting on phasing out the limits over three years, but they concede that Vienna's hand was strengthened when the Swiss voted last Sunday to ban foreign trucks from transiting its territory.

"The EU knows that our entry referendum will only have a positive result if the transit treaty is kept," Austria's transport minister, Viktor Klima, said after the Swiss vote.

That argument has led Germany to take the lead in urging its partners to compromise. Driving too hard a bargain in the negotiations will lead to disaster if it leads to voters in the four applicant countries rejecting membership in referendums, the German official said.

Although EU officials hope to conclude the talks by Tuesday, bargaining can continue until March 10 and still leave enough time for the four countries to ratify the pacts and enter the Union by the Jan. 1 target date.

New Doubts On Amnesty For Russian Hard-Liners

Compiled by Our Staff From Dispatches

MOSCOW — Confusion surrounded the fate on Friday of jailed leaders of the October 1993 revolt who were voted an amnesty by the Russian parliament.

The hard-liners who battled President Boris N. Yeltsin in October could be released from prison as early as Saturday under the amnesty approved by parliament.

But one of their defense lawyers said he feared the Yeltsin administration would try to block the amnesty or delay its implementation.

Georgi Satarov, an aide to Mr. Yeltsin, said the president was drafting a written reply to the State Duma's resolution, approved Wednesday, to free the revolt leaders along with those accused of masterminding the 1991 coup attempt against the Soviet leader, Mikhail S. Gorbachev.

"The tone will be calm and businesslike" Mr. Satarov was quoted by Interfax news agency as saying of the letter. He gave no further details.

The amnesty is supposed to take effect as soon as it is published. The Duma chairman, Ivan Rybkin, said the text would appear in Saturday's edition of the government newspaper Rossiiskaya Gazeta.

Abdul M. Khamzayev, lawyer for one of the imprisoned hard-liners, Stanislav Terekhov, said he believed the prisoners "should be released immediately" after the amnesty declaration was published.

But it is "very unlikely" that will happen, he said. The Yeltsin administration, he added, "is trying to drag this out."

The amnesty could set free Mr. Yeltsin's fiercest political opponents, who led a revolt five months ago that turned the capital into a battle zone. It also applies to organizers of a May Day riot and to thousands of other people convicted for unrelated offenses.

Under the constitution, parliament has the right to proclaim an amnesty, but Yeltsin aides have said that the president could override the decision by resorting to an extraordinary measure such as a direct veto or issuing a decree annulling the move.

Prosecutor General Alexei Kazannik formally received the measure on Friday. He has said that as soon as the document is published he will drop criminal charges against any defendants who agree to accept the amnesty. *(AFP, AP)*

WORLD BRIEFS

Greece Presses Macedonia Embargo

ATHENS (Reuters) — Prime Minister Andreas Papandreou sent a letter to the president of the European Commission, Jacques Delors, on Friday arguing that a trade embargo on the former Yugoslav republic of Macedonia was not illegal.

The government spokesman, Evangelos Venizelos, said Mr. Papandreou wrote that the embargo was a political move aimed at persuading the neighboring republic to give up its insistence on using Greek symbols and hostile propaganda.

He said the embargo will be "immediately lifted when Skopje shows signs of goodwill and gives up its intransigence so that we can then enter a productive dialogue." On Tuesday, Mr. Delors wrote to the Greek leader demanding that Athens take urgent steps to end its embargo against Macedonia, which he said may be illegal.

Irish Court Frees Man Sought in U.K.

DUBLIN (Reuters) — A court freed Joseph Magee on Friday, upholding his appeal against a British extradition request over the 1992 killing of an army sergeant in England. The judge ruled that the offense was a political one for which Mr. Magee, 27, could not be extradited under the Irish constitution.

Observers said the ruling was likely to strain relations between Britain and Ireland, who are pursuing a joint peace initiative in Northern Ireland and are partners in a 1985 pact on security matters in the British province.

The police in Derby, where the sergeant was killed, issued a terse statement saying the decision was "extremely disappointing" but refused to comment further.

UN Cites Progress on Iraqi Weapons

MANAMA, Bahrain (Reuters) — The remainder of Iraq's chemical weapons arsenal should be destroyed in about a month, but Iraqi failure to provide enough equipment and workers has slowed the process, a United Nations official said Friday.

"I believe that the end is near, and that my successor can say to the world that the last chemical weapons in Iraq have been destroyed," Cees Wolterbeek, head of the United Nations' Chemical Destruction Group, said after leaving Iraq. He said it should be done in "maybe one month, or something like that."

Russians Foil Attack on City Mayor

MOSCOW (Reuters) — Authorities in St. Petersburg have thwarted an attack on the city's mayor, Anatoli A. Sobchak, an anti-terrorist official said Friday.

The official, Alexander Kuznetsov, said that five people were arrested on Feb. 2, according to the Itar-Tass press agency. He said the men were armed, but he gave no details of the planned attack. He said the men had taken part in the October uprising in Moscow against President Boris N. Yeltsin.

Mr. Sobchak, a university law professor, rose to prominence as a reformist member of the Soviet legislature when Mikhail S. Gorbachev was president. He played a major role in defusing the crisis in his city during the attempted coup against Mr. Gorbachev in August 1991.

UN Suspends Georgian Peace Talks

GENEVA (Reuters) — The United Nations on Friday suspended peace talks between the former Soviet Georgia and the rebel region of Abkhazia, scheduling the next meeting for March 7 in New York. A spokeswoman said both sides had agreed to attend the meeting, which coincides with a deadline set by the Security Council for clear signs of some progress on an accord.

The decision was made after negotiators failed to finalize texts of agreements on the status of Abkhazia and on the return of what the UN says are some 250,000 Georgian refugees who fled fighting in the Black Sea region last year. The UN said that 90 percent of the texts had been agreed but that "some difficulties remain."

Seoul to Ease Japanese Culture Ban

SEOUL (Reuters) — South Korea has decided to relax a ban on Japanese culture in place since World War II, the Culture and Sports Ministry said Friday.

"Our basic position is that we will relax the ban," an official said. "But at the moment we don't know how and when we plan to do it."

Seoul and Tokyo normalized ties in 1965, but bitter sentiments linger in the minds of South Koreans over Japan's brutal 1910-45 occupation. At the end of the war, South Korea banned imports of Japanese movies, books, records and other cultural work deemed "too Japanese and harmful" to Korean youth.

Hanoi and Beijing to Discuss Borders

HANOI (Reuters) — Vietnam and China have agreed to discuss territorial disputes, including their border and mutual claims to the Paracel and Spratly Islands in the South China Sea, a senior Vietnamese official said Friday.

"There remain problems but it is encouraging that the two sides have expressed the desire to solve these problems through negotiations," said Deputy Foreign Minister Vu Khoan.

Vietnam and China have border problems on land, in the Tonkin Gulf where there was no boundary delineation, and over the Paracels and Spratlys. "We have agreed with China to conduct negotiations on all these problems," Mr. Khoan said.

Reform-Minded Czech's Popularity Bucks Trend

By Jane Perlez
New York Times Service

OSTROV, Czech Republic — In a severe Stalin-era hall in this grim industrial town near the German border, a standing-room crowd has gathered to hear one of Eastern Europe's most durable post-Communist leaders, a silver-haired man with a mustache in a dark mauve suit whose plain talk and personal asides are unusual in a region where many politicians have been reluctant to explain themselves.

The speaker, Vaclav Klaus, the 52-year-old prime minister and a conservative economist, has been making these expeditions outside the capital for some time. His gift for communication has helped make him one of the most popular political figures in the Czech Republic.

Mr. Klaus calls the meetings part of his "permanent campaign."

"It's talking to ordinary people," he said, a way of keeping himself in front of the voters.

He is so good at it that as the star of another skilled communicator — the philosophical president, Vaclav Havel — loses some of its glow at home, that of the pragmatic Mr. Klaus has brightened.

Mr. Klaus makes the same pitch at each stop, arguing that the pain of the transition to capitalism will eventually translate into gains.

Mr. Klaus is the only leader in Eastern Europe who has unabashedly embraced market reforms and has seen his popularity rise.

In Poland last year, Prime Minister Hanna Suchocka, whose economic views are similar to Mr. Klaus's, was forced out of office by former Communists.

In Hungary, the support for Prime Minister Jozsef Antall was at a low point before his death last month.

These failures have not escaped Mr. Klaus, who held three meetings like the one in Ostrov every month last year and will do more, he said, in 1994.

Mr. Havel also gives a weekly radio chat but Mr. Klaus — the first post-Communist finance minister and the prime minister since 1992 — holds most of the power. The 1993 Czech Constitution scaled back the position of president to one of moral arbiter and national standard-bearer.

For the moment, Mr. Klaus has something to brag about. Unemployment is 3.5 percent, compared with 15.8 percent in Poland. The inflation rate, at 18 percent, was the lowest in the region last year. Exports to Western Europe rose 16 percent, and the country ended 1993 with a budget surplus.

■ 2d Slovak Official Quits

Slovakia's deputy prime minister, Roman Kovac, resigned Friday, Reuters reported from Bratislava. He was the second senior minister to leave the government in two days after protracted public battles with Prime Minister Vladimir Meciar.

Foreign Minister Jozef Moravcik resigned on Thursday. The two officials quit two weeks after leading a breakaway by a faction of Mr. Meciar's governing Movement for a Democratic Slovakia.

Major's U.S. Visit Aims at Closer Ties

By Richard W. Stevenson
New York Times Service

LONDON — Having found himself uncharacteristically at odds with the United States in the last year over issues such as Northern Ireland and Bosnia, Prime Minister John Major will arrive in Washington late Sunday for a two-day visit designed in part to help him forge a closer relationship with President Bill Clinton.

Mr. Major is to meet with a variety of top administration officials, including Vice President Al Gore and Secretary of State Warren M. Christopher. But the central event is an excursion, planned by the White House to inject an unusually personal element into the visit, to meet up with Mr. Clinton in Pittsburgh, where Mr. Major's grandfather and father lived for a time near the end of the 19th century.

During the time he spends with Mr. Clinton — which will also include a flight back to Washington from Pittsburgh on Air Force One and an overnight stay Monday at the White House — Mr. Major is expected to discuss forging a common approach with the United States to consolidating the tentative steps toward peace in Bosnia-Herzegovina.

He is also expected to seek from Mr. Clinton another public statement of support for the joint effort between Britain and Ireland to bring peace to Northern Ireland. British officials are still smarting from the administration's decision earlier this month to grant a visa to Gerry Adams, the head of Sinn Fein, the political wing of the Irish Republican Army.

But for British-American relations, the real import of the visit may be the clear effort by Mr. Clinton to show that he is interested in improving his ties to Mr. Major, if not to ease British fears that the much-vaunted "special relationship" has come to an end with the reshuffling of priorities after the end of the Cold War.

Mr. Major was widely seen as having got off to a bad start with Mr. Clinton, having angered him even before the presidential election by allowing advisers to his Conservative Party to assist the Republicans during the campaign. Those problems were compounded when the British government reportedly agreed to search its files to see whether Mr. Clinton, while a student at Oxford and an active protester against the Vietnam War in the 1960s, had sought to change his nationality.

Last year there were sharp policy differences between the nations over Bosnia. Britain, which has several thousands troops on the ground there, strongly opposed the administration's desire to lift the arms embargo on the Bosnian Muslims and use air strikes against the Serbs. More recently, however, both nations supported the threat of NATO air strikes against the Serbs ringing Sarajevo.

TRAVEL UPDATE

Bomb Threat Diverts Belgian Trains

BRUSSELS (AP) — Police closed major train stations in three Belgian cities Friday and emergency forces were placed on alert after a bomb warning.

Hundreds of passengers were evacuated from the Central Station in Brussels and trains were diverted, radio reports said. Evacuations also took place at the main stations in Ghent and Liège, the RTBF radio network reported. Some train services were disrupted and the state railroad company planned buses as an alternative.

It was not immediately clear who had made the bomb threat, which the national news agency Belga said had been delivered in a letter to the Interior Ministry. The police said the threat apparently had been made by the Basque separatist group ETA. But the Interior Ministry said later it had been told by "contacts" that ETA was not responsible.

Some people in Romania are chewing recently issued bank notes on a bet, to see if they can remove a metallic anti-forgery strip without damaging the paper. The process renders the currency worthless, the Bucharest daily Evenimentul Zilei reported. *(AP)*

The opening date for train service beneath the English Channel tunnel remains uncertain because of problems involving train engines and carriages designed to take heavy trucks, said the Eurotunnel chairman, André Bénard. *(AFP)*

Ethiopia dismissed the general manager of its national airline, Captain Zeleke Demise, and 30 other employees, and named Ahmed Kellow, a management and finance specialist, as the new general manager. Defense Minister Siye Abracha, chairman of the board of Ethiopian Airlines, ordered the restructuring, saying inefficiency had cost the airline about 20 percent of its market to Lufthansa German Airlines, which has three scheduled international flights to Addis Ababa a week. *(Reuters)*

Vietnam Airlines is to lease two Airbus A-320s from Air France to meet an expected 40 percent rise in passengers in the next year, the company said Friday. It has been replacing its fleet of Soviet planes. *(AFP)*

Tokyo airport closed a runway for an hour Friday after tires on a Northwest Airlines plane blew out during a landing, airport officials said. There were no injuries. *(AFP)*

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

THE AMERICAS / A CASE OF ESPIONAGE

Washington Expels Russian Diplomat In CIA Spy Affair

Compiled by Our Staff From Dispatches

WASHINGTON — The United States expelled a senior diplomat at the Russian Embassy on Friday after Moscow refused to withdraw him voluntarily in the CIA spy case.

The State Department spokesman, Mike McCurry, said the diplomat, Alexander I. Lysenko, was "in a position to be responsible" for directing the espionage of which Aldrich Hazen Ames, a CIA official, and Mr. Ames's wife are accused.

Mr. McCurry described Mr. Lysenko as the embassy's senior intelligence officer and said he had seven days to leave. It was the first expulsion of a Moscow diplomat from the United States since 1986.

The United States expelled Mr. Lysenko after the Russian government declined to respond to appeals that it act after the arrest of the Ames couple.

Mr. McCurry said Moscow had formally protested the expulsion, and suggested that a Russian countermove would not be a surprise.

The administration takes the spy case "very seriously," he said. "This was an action we felt appropriate under the circumstances." He said the United States did not rule out additional actions.

At another point he said, "There are forces at work in Russia that are inconsistent with reform."

Earlier Friday, President Bill Clinton said the United States had made clear to Moscow what its response should be. "If they do not do that, then we will take action and we will take it quickly and then it will be apparent what we have done," Mr. Clinton said.

Senator George Mitchell, Democrat of Maine, told reporters after a meeting of congressional leaders with Mr. Clinton that a delegation from the Central Intelligence Agency had demanded the recall of a Russian intelligence officer in meetings in Moscow on Thursday. The team returned to Washington Friday, he said.

A U.S. official, speaking on condition of anonymity, said before Mr. Clinton spoke that the Russian government had not taken appropriate action. The official, without ruling out some response in the next several days, called the response so far "unsatisfactory."

Mr. Mitchell said the mission to Moscow was prompted by the arrest Monday of Mr. Ames and his wife on charges of selling secrets to Russian intelligence, including undercover Russian officers in Washington.

Mr. Clinton had called congressional leaders to the White House in the hope of curbing angry demands for suspending U.S. aid to Russia. At the same time, a senior Russian official said the arrest should not jolt strong ties between the two countries.

"It is in our national interests to continue working with Russia, to lower the nuclear threshold, to support the development of Russia as a peaceful democracy," Mr. Clinton said. "It is therefore in our interests to make every effort to help the long-term struggle for reform in Russia to succeed."

He stressed that much of the U.S. aid to Russia goes to dismantle nuclear weapons and to privatization efforts rather than to the government itself.

Mr. Clinton said he wanted to give the Russians a chance to act on their own but made it clear he would not wait long.

"The judgment of the security services and the national security team was that the Russians ought to be at least told what we know" and given a chance to act, he said. "If they don't, then we will do what we should do. We will do that soon."

Mr. Clinton said that if the charges against the Ames couple were true, there was "significant damage to our national security" and said he had directed investigators "to get to the full bottom of this."

Deputy Foreign Minister Grigori Mamedov of Russia said as he began a series of meetings at the State Department that "we take any damage done to the Russian-American partnership seriously."

However, he said, "we already believe we have accumulated enough trust and momentum in this relationship to sustain any problems."

Mr. Mamedov, whose visit was scheduled before the Ames arrest, had meetings scheduled with Deputy Secretary of State Strobe Talbott, Undersecretary Peter Tarnoff, and with James Collins, who oversees policy for the former Soviet republics.

Senior members of Congress of both parties were at the White House meeting with Mr. Clinton.

"There was unanimity among all those who spoke that the unfortunate Ames case should not in and of itself cause a change in our policy because there was a recognition — again unanimous — that our policy has been and should continue to be grounded in our national interests," Mr. Mitchell said after the session.

Representative Thomas S. Foley of Washington, the House speaker, said the consensus was "not to overreact" to the spy case. Senator Mitch McConnell, Republican of Kentucky, agreed that the spy case alone should not jeopardize Russian aid but said that he and some others feel that for a broader range of reasons, "Russia aid, at least as it's currently constructed, is in some trouble looking to next year's appropriations bill." *(AP, Reuters)*

We Spy, You Spy, Russia Reminds U.S.

By Margaret Shapiro
Washington Post Service

MOSCOW — Russia has "compromising materials" implicating some U.S. diplomats and their Russian contacts in espionage activity in Moscow and might release this information in the future, an official of the Russian Foreign Intelligence Service told the Interfax news agency Friday.

The unnamed official did not go into further details, but said that "under certain circumstances" the information would be made public. Presumably those circumstances would include the expulsion of a Russian diplomat in Washington in connection with this week's arrest a senior CIA official on charges of spying for Russia.

"We don't do anything in the United States that the Americans wouldn't do here," the official said. "Americans are not surprised when their closest allies — the British and French — collect information in the U.S. It is well known that friendship is one thing and special services another."

The official's remarks were the first warning to Washington that it, too, could face some embarrassing exposure.

On Tuesday, Aldrich Hazen Ames, 52, former head of the Soviet counterintelligence section at the Central Intelligence Agency, was arrested on charges of spying for Russia for the last nine years. The arrest has caused a storm of protest in Congress and calls for a re-evaluation of the whole relationship between Russia and the United States.

Russian officials have responded with surprise to the uproar, suggesting that few people could really believe that the two countries would have stopped spying on each other despite the warm political relations of the last few years.

On Friday, a senior Foreign Ministry official, also quoted by Interfax, accused the United States of being "hypocritical" for expressing such shock about Russian espionage when "it is well known that the Americans are spending considerably more on intelligence — spying in ordinary language — than all other countries combined."

But a statement issued by the Foreign Ministry attempted to calm things down, suggesting that the Ames matter should be handled diplomatically — and not by the intelligence agencies.

"In the United States and in Russia there are circles that are not interested in the friendship of the two biggest powers," the statement said. They have grown "noticeably more active" since the Moscow summit meeting in January at which Presidents Bill Clinton and Boris N. Yeltsin agreed that the two countries now have a "mature strategic partnership," it said.

Mary Hightower, The Associated Press

President Clinton talking with a customer at a drug store in Norwich, Connecticut, as he took to the road to sell his health care plan.

Elderly Group Fails to Back Health Plan

By Robert Pear
New York Times Service

WASHINGTON — The board of the American Association of Retired Persons has decided not to endorse Bill Clinton's health plan, despite a concerted campaign by the president and his wife, Hillary Rodham Clinton, to gain support from the elderly.

But the group's president said the plan was close to what its 33 million members were looking for.

First word of the decision came from administration officials, who said they were somewhat disappointed but not completely surprised. They noted that the board had not endorsed any alternative to the Clinton plan.

Meeting in Washington on Tuesday and Wednesday, the 21 members of the board stood by a November statement that described the proposal as "the strongest and most realistic blueprint to date for achieving our goals."

The goals include universal health insurance, cost controls, prescription drug coverage and a national program of long-term care.

The administration, in public and in private, had sought a much stronger show of support from the organization. An endorsement would have been a boon to the White House after three major business groups withheld their endorsements of the Clinton plan earlier this month.

Leaders of the association said that health care reform was their top priority, but that there was no clear consensus among members for a particular legislative proposal.

The group's president, Lovola W. Burgess of Albuquerque, New Mexico, said:

"The Clinton plan is the nearest to what we are looking for, but it falls short in a number of ways. We are concerned about the financing. We don't know if the proposed cuts in the growth of Medicare and Medicaid would provide enough money to help finance the president's plan. We fear that doctors would be less willing to see Medicare patients if their fees are cut.

"The Clinton plan makes a start on home and community-based care, but it leaves states to decide on financing, and if a state was short of money, there might be nothing for such care."

Health care legislation is just beginning what promises to be a tortuous journey through Congress.

The association, like many groups, seems to have decided that it can maximize its influence by preserving a degree of independence and by stressing its concerns, without giving a blanket endorsement to one proposal. Such independence gives lobbyists more room to maneuver on Capitol Hill, where the politics of health care are continually in flux.

Unusual Briefing in S&L Case

Investigators Updated White House Aides on Progress

By Stephen Labaton
New York Times Service

WASHINGTON — In a surprising admission, the head of a federal agency examining the failure of an Arkansas savings and loan at the center of the inquiry into the real estate investments of President Bill Clinton and his wife said he held a briefing three weeks ago for senior White House aides on the agency's progress.

Deputy Treasury Secretary Roger C. Altman, who is also the acting head of the Resolution Trust Corp., acknowledged Thursday under questioning by Republicans on the Senate Banking Committee that he had met with the White House counsel, Bernard W. Nussbaum, the deputy chief of staff, Harold M. Ickes, and Hillary Rodham Clinton's chief of staff, Margaret A. Williams.

Mr. Altman said he had held the unusual briefing to tell the White House staffers that the examination into Madison Guaranty had been running up against a statute of limitations problem and that the agency would decide soon on whether to proceed.

Madison was owned by James B. McDougal and his wife, Susan, the Clintons' partners in the real estate venture, known as Whitewater Development.

The meeting was unusual because the Resolution Trust Corp. is an independent regulatory agency whose lawyers are supposed to operate without political considerations.

Moreover, the briefing was attended by senior advisers to the Clintons, who are themselves the subject of the investigations.

Republicans pointed to the briefing as evidence that the White House has been controlling inquiries into Madison and Whitewater.

Representative Jim Leach, Republican of Iowa, said that the meeting was "thoroughly unseemly" and that it undermined "the credibility of the regulatory process."

"Nothing could be more inappropriate," said Mr. Leach, the ranking Republican on the House Banking Committee. "The Resolution Trust Corporation should be arm's length from both the Executive Branch and from Congress. These are process issues that should be handled in appropriate ways."

The Resolution Trust Corp., which cleans up failed savings and loans, has been examining whether to bring fraud charges against any executives or borrowers connected with Madison, or whether there were any conflicts of interest involving Mrs. Clinton's former law firm, the Rose firm of Little Rock, Arkansas.

In 1985, Madison was represented by Mrs. Clinton before a state regulator who had been appointed by her husband. After Madison failed five years ago, federal regulators hired Mrs. Clinton's law firm to sue the savings institution's accountants.

"I'd describe it as a 'heads up,'" Mr. Altman said of the meeting. "That they should be aware of the internal processes and the types of criteria" that the Resolution Trust Corp. was going to be following in order to reach a decision by Feb. 28.

Mr. Altman did not tell the committee what particular aspect of the investigation he had discussed or what decision had been made.

Training for Blood Workers

Washington Post Service

WASHINGTON — The American Red Cross, which has been attacked for inadequately safeguarding much of the nation's blood supply, will establish a national college in Fairfax County, Virginia, to train workers in the latest blood-handling techniques.

Away From Politics

- **Los Angeles has accepted** liability for the beating by white police officers of the black motorist Rodney G. King, who is suing the city, and has offered to pay his medical costs.
- **A drug shows promise** in animal tests for healing arthritis, researchers said. The experimental drug, Chondrogenercon, promoted growth of new cartilage in the joints of pigs and rabbits, said Ernst Hunziker, head of the M. E. Müller Institute for Biomechanics of the University of Bern, Switzerland. If it proves effective for humans it could heal the most common form of arthritis.
- **The man charged with killing** six people on a commuter train in suburban New York on Dec. 7 was rebuffed in his request for trial outside Nassau County, Long Island. A state appeals court said the request by an attorney for Colin Ferguson was premature. His lawyer, Anthony J. Falanga, had argued that Mr. Ferguson could not receive a fair trial in the county, where the shootings occurred.
- **An all-white Moose Lodge** in Hagerstown, Maryland, lost its charter and was closed permanently after voting to deny membership to a black man. The lodge was ordered padlocked for violations of "general laws and stated policies," said a spokesman for the fraternal order in Mooseheart, Illinois.

NYT, Reuters, NYT

★ POLITICAL NOTES ★

Reno Ducks Issue of Clinton Illinois Trip

WASHINGTON — Attorney General Janet Reno set off alarm bells at the White House when she declined to discuss President Bill Clinton's scheduled trip to Chicago to support Representative Dan Rostenkowski, chairman of the House Ways and Means Committee, who is the subject of a federal criminal investigation.

The issue is sensitive for Ms. Reno because Justice Department officials are expected to make a decision soon on whether to seek an indictment of the congressman on charges of misuse of House Post Office funds and other matters. He is critical to the fate of Mr. Clinton's health care proposal and other major legislative initiatives.

Mr. Clinton's trip on Monday would come eight days before the Illinois Democratic primary, in which Mr. Rostenkowski is considered highly vulnerable. Asked Thursday if she had any views on whether the president's trip was appropriate given the status of the Rostenkowski probe, Ms. Reno said "yes." But she then repeatedly refused to reveal those views. She also declined to say whether she had discussed the matter with the White House.

White House officials termed Ms. Reno's reaction "inartful" but said she had not advised the president or anyone at a lower level that she believed presidential support of a candidate under federal investigation was inappropriate.

Mr. Clinton said Friday that his appearance with Mr. Rostenkowski was "to fight for things I believe in" and that the White House was in no way meddling in a criminal investigation of the congressman. At a White House news conference, Mr. Clinton did not answer directly when asked if his trip was meant as an endorsement of Mr. Rostenkowski.

Clinton advisers said that the White House saw no ethical problem in Mr. Clinton making appearances aimed at aiding Mr. Rostenkowski. The two are to appear at crime and health care events, not direct campaign events. But the clear intent is to bolster Mr. Rostenkowski's main campaign theme, that he should be re-elected because his senior position in the House and years in Washington allow him to play a major role in local and national issues. *(WP)*

Panel Backs Phased Cuts in Welfare Aid

WASHINGTON — A White House task force on welfare reform has decided to recommend gradually phasing in its planned two-year limit on welfare benefits, starting with only the newest and youngest recipients, officials say.

If welfare reform goes into effect next year, the two-year limit on benefits would initially apply only to new recipients — possibly those 25 years old or younger. As new recipients apply in subsequent years, the age limit would automatically be advanced one year.

If age 25 is picked as the cutoff age, by the turn of the century anyone age 30 or younger would be dropped from the welfare rolls after two years and required to go to work.

After the system has been in operation for several years, the administration would decide whether to extend the work requirement to all other welfare recipients, regardless of age. The proposal has not yet been approved by President Bill Clinton.

Administration officials said the proposal would reduce the costs of expensive educational and vocational services at the outset of the program when the administration is struggling to make budget cuts to pay for not only welfare reform but health care reform as well.

Officials had estimated that welfare reform alone could cost from $4 billion to $7 billion in the fifth year, largely because of the cost of preparing recipients for employment. The phase-in would most likely put the cost of such support services closer to the lower end of that range, officials said. *(WP)*

IRS Advisers Will Aid Residents Abroad

WASHINGTON — From now until June 15, the deadline for U.S. residents overseas to file their 1993 income tax returns, officials of the Internal Revenue Service will travel to 120 cities in 67 countries to help Americans prepare their tax returns, the IRS announced.

For information about the IRS advisers, taxpayers may contact their nearest embassy or consulate or call the IRS International Taxpayer Service Office in Washington at (202) 874-1460. *(IHT)*

Quote / Unquote

Senator Robert C. Byrd, Democrat of West Virginia and chairman of the Senate Appropriations Committee, commenting on a proposed balanced budget amendment to the constitution: "I want to kill it dead. There's no point in trying to work up some so-called compromise version and nailing it into the constitution." *(AP)*

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CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:30 a.m. / Kids Welcome. De Cuserstraat 3, S. Amsterdam Info 02940-15316 or 02503-41389.

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SAINT JOSEPH'S CHURCH (Roman Catholic). Masses Saturday Evening 6.30 p.m., Sunday, 9:45, 11:00, 12:15 and 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 42.27.28.56. Metro: Charles de Gaulle - Etoile.

STRASBOURG

ST. ALBAN (Anglican) at l'Eglise des Dominicains Eucharist 10.30 a.m. corner Blvd. de la Victoire & rue de l'Université, Strasbourg (33) 88 35 03 40.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Ichabashi Stn Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando subway sta. Tel. 3400-0047. Worship services Sunday 8:30 & 11:00 a.m., SS at 9:45 a.m.

VIENNA

VIENNA CHRISTIAN CENTER, A CHARISMATIC FELLOWSHIP FOR VIENNA'S INTERNATIONAL COMMUNITY. * English Language * Trans-denominational, meets at Hafbgasse 17, 1070 Vienna, 6:00 p.m. Every Sunday, EVERYONE IS WELCOME. For more information call: 43-1-318-7410.

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THE AMERICAN CATHEDRAL OF THE HOLY TRINITY. Sun. 9 & 11 a.m. 10 a.m Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33/1 47 20 17 92. Metro George V or Alma Marceau.

FLORENCE

ST JAMES' CHURCH, Sun. 9 a.m Rite I & 11 a.m. Rite II Via Bernardo Rucellai 9, 50123, Florence, Italy Tel. 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Ring 51, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel.: 49/69 55 01 84

GENEVA

EMMANUEL CHURCH, 1st, 3rd & 5th Sun. 10 a.m. Eucharist & 2nd & 4th Sun Morning Prayer, 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS. Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

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ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11 15. All other Sundays: 11 15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

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BARCELONA

FAITH FELLOWSHIP INTERNATIONAL meets at 1600, Bona Nova Baptist Church Carrer de la Ciutat de Ballaguer 40 Pastor Lance Borden, Ph. 410-1661.

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BONN/KÖLN

THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Rheinau Strasse 9, Köln. Worship 1.00 p.m. Calvin Hogue, Pastor. Tel· (02236) 47021.

BRATISLAVA

Bible Study in English
Palisady Baptist Church Zrinskeho 2 16.30-1745

BREMEN

INTERNATIONAL BAPTIST CHURCH (English language) meets at Evangelish-Freikirchlich Kreuzgemeinde, Hohenlohestrasse Hermann-Böse-Str. (around the corner from the Bahnhof) sunday worship 17:00 Ernest D Walker, pastor. Tel. 04791-12877

BUCHAREST

INTERNATIONAL BAPTIST CHURCH, Strada Popa Rusu 22. 3:00 p.m. Contact Bill Richardson. Tel (10-9)-61

BUDAPEST

International Baptist Fellowship II Bimbo u. 56 (main entrance Tapolcsanyi u. 7, immediately behind front entrance) 10:30 Bible study 6:00 p.m. Pastor Bob Zbinden. Tel.: 1156118
Reached by bus 11.

BULGARIA

INTERNATIONAL BAPTIST CHURCH, Sofia, Grand Narodno Sobronie Square. Worship 11 00. James Duke. Pastor. Tel 704367.

CELLE/HANNOVER

INTERNATIONAL BAPTIST CHURCH. Windmulen Strasse 45, Celle 1300 Worship, 1400 Bible Study. Pastor Werl Campbell, Ph. (05141) 46416.

DARMSTADT

DARMSTADT/EBERSTADT BAPTIST MISSION Bible study & Worship Sunday 10:30 a.m. Stadtmission Da-Eberstadt, Buseschstr. 22, Bible study 9:30, worship 10:45. Pastor Jim Webb. Tel.: 06155-6009216.

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FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP Evangelisch-Freikirchliche Gemeinde, Sodenerstr. 11-18, 6380 Bad Homburg, phone/Fax: 06173-62728 serving the Frankfurt and Taunus areas, Germany. Sunday worship 09:45, nursery + Sunday-school 10:00, women's bible studies Housegroups - Sunday + Wednesday 19:30. Pastor M. Levey, member European Baptist Convention. "Declare His glory amongst the nations."

BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m and 6.00 p.m., Dr. Thomas W. Hill, pastor. Tel.: 069-549559.

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INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FESTSAAL, AM ISFELD 19, Hamburg-Ostdorf Bible Study at 11.30 & Worship at 12:30 each Sunday. Tel.: 040/820616.

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INTERNATIONAL BAPTIST FELLOWSHIP Meeting 1100: Kino Center Building 15 Druzhinnikovskaya Ul. 5th Floor, Hall 6. Metro Station Barrikadnaya Pastor Brad Starney Ph. (095) 150 3293.

MUNICH

INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzstr. 9 English Language Services. Bible study 18:00 Worship Service 17:00. Pastor's phone: 6908534.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. An Evangelical church for the English speaking community located in the western suburbs.S.S. 9:45; Worship: 10:45 Children's Church and Nursery. Youth ministries Dr B C Thomas, pastor. Call 47 51 29.63 or 47.49.15.29 for information.

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International Baptist Fellowship meets at the Czech Baptist Church Vinohradska # 68, Prague 3. At metro stop Jirihoz Podebrad Sunday a.m. 11.00 Pastor: Bob Ford (02) 311 0693.

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International Baptist Church. English, German, Persian. Worship 10:30 a.m., Seitenstr 21, Wuppertal - Elberfeld All denominations welcome. Hans-Dieter Fraund, pastor. Tel.: 0202/4698384.

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INTERNATIONAL CHURCH of Copenhagen, 27 Farvergade. Vartov, near Rådhus. Study 10:15 & Worship 11:30. Tel.: 31824785.

FRANKFURT

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GENEVA

EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome Tel.: (02) 281-049.

LONDON

AMERICAN CHURCH in London at 79 Tottenham Ct. Rd. W1. Worship at 9.00, SS at 10 00 a.m., Sung worship at 11 a.m. Goodge St. Tube: Tel 071-580 2791.

MOSCOW

MOSCOW PROTESTANT CHAPLAINCY, UPDK Hall, UL. Ulota Palme 5, bldg. 2. Worship 9 + 11 a.m. S.S. Tel.: 143-3562.

OSLO

American Lutheran Church, Fritznersgt. 15 Worship & Sunday School 10 a.m. Tel.. (02) 44.35.84.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door. Metro Alma-Marceau or Invalides.

STOCKHOLM

IMMANUEL CHURCH. Worship Christ in Swedish, English, or Korean. 11:00 a.m. Sunday. Birger Jarlsg. at Kungstensg 17. 46/08/ 15 12 25 x 727 for more information.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1

WARSAW

WARSAW INTERNATIONAL CHURCH. Protestant English language expatriates. Sundays 11:00 a.m. (Sept.-May), 10 a.m. (June-Aug.); Sunday School 9:55 (Sept-May) UL. Miodowa 21. Tel. 43-29-70.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking. worship service, Sunday School & Nursery. Sundays 11:30 a.m., Schanzengasse 25 Tel.: (01) 2625525.

Arabs, Outraged, Call for Protection

By Chris Hedges
New York Times Service

CAIRO — Arab and Palestinian leaders expressed outrage, promised revenge and called for calm following the massacre of Palestinian worshipers in the West Bank town of Hebron.

Yasser Arafat, chairman of the Palestine Liberation Organization, said the killings could jeopardize the peace process and called his chief advisers for emergency talks in Tunis.

But neither he nor his aides threatened to end the negotiations with Israel that are intended to lead to self-rule in the West Bank town of Jericho and the Gaza Strip.

Palestinian leaders, however, called on Israel to disarm Jewish settlers and deploy United Nations forces in the occupied territories to protect residents.

"We are in need of the international community to protect the Palestinian people," Mr. Arafat said.

The demand that Jewish settlers be stripped of their weapons accompanied most condemnations of the killings.

"Jewish settlements constitute a time bomb for the peace process," Yasser Abed-Rabbo, a member of the PLO Executive Committee, said at a news conference in Tunis.

Nabil Shaath, the chief Palestinian negotiator, blamed the Israelis for allowing the attack on Palestinians.

"This has always been my fear and I told this to General Amnon Shahak," he said in Cairo.

General Shahak is the chief Israeli negotiator in the self-rule talks.

"The real obstacle to peace is and always going to be the settlers, Mr. Shaath said.

"There is nothing more explosive. These people are armed to the teeth, in Hebron in particular. They are the most extreme hate-mongers."

The PLO, calling the attack "butchery," went on to lambaste the Israeli Army, which it said, "protects these crimes and butcheries carried out by the settlers."

The statement, issued in Tunis, also condemned Israeli troops for stopping Palestinians who were trying to go to hospitals to donate blood.

Radical groups opposed to the peace process said they would carry out revenge attacks.

"We vow to avenge the killing and to punish the Israeli occupation forces and the Zionist settlers," the radical Damascus-based Popular Front for the Liberation of Palestine and the Democratic Front for the Liberation of Palestine said in a joint statement.

The militant Islamic organization Hamas also promised revenge.

Even moderate Arab organizations expressed outrage and blamed the Israeli government.

"The Israeli government must accept total responsibility for this incident," said Esmat Abdel Meguid, the secretary-general of the Arab League.

The Egyptian foreign minister, Amr Moussa, issued a tempered response.

"Egypt condemns this grisly incident that emphasizes the need to stand up to extremism," he said, "which has inflicted many societies of different religions, policies and leanings."

Iran, which rejects any compromise with Israel, said the violence was "doubtless carried out with the backing of the military forces of the Zionist regime."

Rabin Vows to Seek Reconciliation

Compiled by Our Staff From Dispatches

JERUSALEM — Prime Minister Yitzhak Rabin said Friday that the massacre of Palestinians in Hebron would not prevent reconciliation between Israel and the Palestinians.

"We will do everything necessary to advance the peace talks, to prevent misunderstandings, to remove obstacles in the way" of peace, he said.

Mr. Rabin condemned the "loathsome criminal act of murder" committed by a Jewish settler in the occupied West Bank and urged "Jews and Arabs to show restraint and not to become involved in provocative acts."

"The government and the people of Israel vigorously condemn this criminal and sickening act against innocent people as they prayed during the Ramadan fast," he said.

Mr. Rabin gave condolences to "the families of the victims and the Palestinian people."

He also said that the Israeli Army and security forces "have been given instructions to do all they legally can to maintain public order and prevent further incidents and bloodshed."

Mr. Rabin also telephoned the PLO chairman, Yasser Arafat, and apologized.

The Israeli foreign minister, Shimon Peres, also pledged to pursue peace.

"If anyone thinks such criminal acts will slow the peace efforts, they are sorely mistaken," he said.

"Peace is the true answer to the hate-mongers and the sowers of grief," said Mr. Peres, one of the chief architects of the Sept. 13 autonomy deal with the Palestine Liberation Organization.

(AFP, AP, Reuters)

U.S. Advisory On Europe and Mideast Visits

Reuters

WASHINGTON — The United States warned Americans traveling in Israel to stay out of East Jerusalem, the West Bank and the Gaza Strip after Friday's fatal shooting of Arabs praying in a Hebron mosque.

The State Department also advised Americans to exercise caution when traveling throughout the Middle East and Europe.

"In light of the recent tragic deaths in Hebron and the violence which has stemmed from those murders, the Department of State advises all American citizens to avoid travel in East Jerusalem, the West Bank and Gaza at this time," the department said in a statement.

A further statement warned: "Americans traveling throughout the Middle East and Europe should exercise special caution by being particularly aware of their surroundings, avoiding all crowds and demonstrations and maintaining a low profile."

Menahem Kahana/Agence France-Presse

A hospital worker in East Jerusalem making a list of victims of the attack and subsequent rioting.

Killer Had 'Emotional Crisis'

Immigrant From U.S. Was Disciple of Militant Rabbi

Washington Post Service

HEBRON, Israeli-Occupied West Bank — When two Jewish settlers were gunned down by Islamic extremists near the Jewish settlement of Kiryat Arba one evening last fall, the call went out immediately to a local emergency doctor, who rushed to the scene where Mordechai Lapid and his son Shalom lay mortally wounded.

The doctor was Baruch Goldstein, a graduate of the Albert Einstein Medical School at Yeshiva University in New York City, who had come to Israel in 1982 and settled in Kiryat Arba, an outpost of Jewish militancy just outside the Arab city of Hebron.

According to those who knew Dr. Goldstein, the death of the Lapids sent the doctor into what one called an "emotional crisis."

Dr. Goldstein, believed to be about 40, a devout Jew with traditional sidecurls, was a disciple of Rabbi Meir Kahane, a militant who wanted to expel Arabs from Israel and the territories it controlled. Rabbi Kahane was assassinated in New York in 1990, but his fierce nationalist views are promoted by several organizations here, including the largest one, Kach, whose leaders live in the small Jewish settlements nestled inside Hebron's Arab population. Dr. Goldstein had been a member of Kach, and once ran for the local council in Kiryat Arba under the Kach banner of a clenched fist.

Kach activists have long been a worrisome factor in the volatile atmosphere of Hebron, where armed Jewish settlers roam the streets in the heart of a Palestinian population that is more overtly Islamic than other towns in the West Bank. While several Kach leaders have been arrested, Israeli authorities have stopped short of a full-scale crackdown on Kach. As recently as two months ago, Kach was operating an armed road "patrol" while vowing to fight the peace accord between Israel and the Palestine Liberation Organization.

Ehud Sprinzak, a Hebrew University professor and expert on Israel's radical rightist groups, said the government has been tolerant of Kach and other militant Jewish nationalists. "They have been treated with kid gloves," he said.

After the killings, colleagues discovered a note from Dr. Goldstein in a mailbox at Kiryat Arba, addressed to the medical team with which he had worked. "I enjoyed working with you very much," it said. "May be it God's will that you will have the privilege of serving the holy public faithfully. With love of Israel, Dr. Baruch Goldstein." Dr. Goldstein was married and the father of four.

Dr. Goldstein was known for holding strongly anti-Arab views. Last Nov. 15, he was interviewed by Israel radio after a Jew was wounded while walking to the Tomb of the Patriarchs. Dr. Goldstein complained that the government was not doing enough to protect the settlers. He decried what he called "the abandonment of the Jews here," and said it resembled the methods "which helped the Nazis during the second World War."

"The Nazis, er, the Arabs want to hurt all the Jews, also those that live along the coast" in Tel Aviv, he added.

When the interviewer demurred, Dr. Goldstein went on, saying that the media "gives rewards to those who spill Jewish blood.

"We are sick of this and we will, God willing, set up a Jewish state and we'll know how to take care of them ourselves."

Ronni Shaked, a reporter for Yediot Ahronot, Israel's largest mass-circulation paper, said he had interviewed Dr. Goldstein several months ago but never published the material because it was so extreme. Mr. Shaked recalled that Dr. Goldstein had told him that the Arabs were Nazis and "it was necessary to teach them a lesson."

Nahum Gross, a resident of Kiryat Arba, said of Dr. Goldstein: "He did what he did out of belief, as revenge for the murder of Rabbi Kanahe. He said that the day would come when he would avenge his death, and now he has."

For a quarter-century, Arabs and Jews have struggled against each other in Hebron. After the 1967 war, a radical rightist rabbi, Moshe Levinger, led 79 of his followers in the first Jewish return to Hebron since the Arab violence of 1929 in which 67 Jews were slain.

The settlers moved illicitly into the Park Hotel in Hebron, and declared that they would never leave. Eventually the settlers were moved to a nearby military compound, and then to a new Jewish city, Kiryat Arba, next to Hebron. Years later, the settlers returned again to the center of Hebron to build new schools and repossessed homes Jews had abandoned in 1929 in the heart of the city, which now has an Arab population of 100,000.

The charismatic and messianic leaders of the settler movement in Kiryat Arba became leaders in the drive during the 1970s and 1980s to settle the West Bank. The settlement, which now has a population of 5,000, expanded across the hillsides into a series of shielded enclaves between Arab olive groves and fields. Unlike other settlers who came to the West Bank strictly for improved quality of life, those who came to Kiryat Arba were often strongly ideological, and the settlement offered a panoply of different nationalist and religious fundamentalist groups.

— DAVID HOFFMAN

MOSQUE: *Dozens Massacred*

Continued from Page 1

huda Weinraub, denied witnesses' reports that soldiers had stood by while the shooting took place. The colonel said that soldiers stationed outside the entrance could not get in until afterward because of the "pandemonium."

The army said the gunman got past guards by wearing an army uniform.

Israeli radio said the gunman had changed ammunition clips several times, and the mosque guard, Mr. Abu Saleh, said the attacker also hurled three grenades.

The gunman overpowered and killed by survivors.

"He died of beatings," said a police spokesman, Eric Bar-Chen.

Itim said Dr. Goldstein had left a note for a colleague at his workplace, a clinic in Kiryat Arba, that said: "I enjoyed working as a doctor. Wishing for full redemption."

A friend of Dr. Goldstein's, Barbara Guzofsky, said: "He felt the Arabs wanted us all dead. That's where he got his hatred. He wanted to stop the so-called peace process and save the state of Israel."

The army poured extra troops into the occupied territories and clamped a curfew on Hebron, a city of 50,000. It also sealed off the Gaza Strip and banned Palestinians under age 40 from entering Jerusalem.

The police fired rubber bullets and tear gas to disperse 120,000 Arabs who massed on Temple Mount in Jerusalem. Hundreds of youths hurled rocks to the Western Wall below. Witnesses said 10 Arabs were wounded.

Palestinians said 50 protesters had been shot and wounded in the Gaza Strip. Seven more were shot and wounded in Jericho, where the PLO chairman, Yasser Arafat, is supposed to set up his headquarters under the stalled Palestinian self-rule agreement with Israel.

In Europe and across the Arab world, leaders expressed revulsion and pleaded for restraint.

But radical Palestinians vowed revenge and Hamas, which is vying with the PLO for leadership of the Palestinians, told Mr. Arafat to abandon talks with Israel "or pay the price."

UN Security Council members were expected to discuss the killings during previously scheduled consultations in New York. The UN secretary-general, Butros Butros Ghali, said he was deeply concerned about the possible impact on PLO-Israeli negotiations.

Mr. Rabin said in a statement: "A loathsome criminal act of murder was committed today at a site holy to both Jews and Arabs in Hebron earlier this morning. The prime minister and defense minister, government ministers and citizens of the state of Israel severely condemn this terrible murder of innocent people which occurred during Ramadan prayer services."

He added, "We call on everyone, Arab and Jew alike, to act with restraint and to not be drawn into committing further acts which could worsen the situation."

(AP, Reuters)

PEACE: *Complications to Talks Feared*

Continued from Page 1

and Prime Minister Yitzhak Rabin of Israel were tentatively scheduled to meet, resolve a few remaining areas of disagreement and sign their first set of accords that would begin the troop withdrawal from the West Bank town of Jericho and the Gaza Strip.

Now, however, the angry mood among Palestinians created by the killings may limit Mr. Arafat's flexibility in the matters still in dispute.

Mr. Arafat's legitimacy is already shaky among Palestinians in the occupied territories, who have grown increasingly disillusioned with the five-month-old talks and have criticized the PLO leader for making too many concessions, Palestinians and other Arabs added.

Palestinian groups opposed to Mr. Arafat's negotiations with the Israelis sought to portray the massacre as proof of the PLO's foolhardiness. "The massacre is one of the fruits of Arafat's false peace," said Abu Ali Mustafa, deputy leader of the Popular Front for the Liberation of Palestine.

The Islamic fundamentalist movement Hamas, which has considerable following among Palestinians in the territories, said the "massacre against the fasting worshippers is a slap to all those who are negotiating with Israel."

"It shows that peace with the Zionists is impossible," it added.

Another Arafat critic, Munir Maqdah, a guerrilla leader, urged the PLO leader "to commit suicide."

They have the right to say those things, said Said Kamel, PLO ambassador to Cairo, who supports the peace process. "Do you think we are going to protest their reaction?" he asked.

Another Cairo-based PLO official who had been close to Mr. Arafat but has grown disillusioned with the PLO leadership said: "I don't know how Arafat will get out of it.

"Everyone is asking him to walk out of the negotiations," he said, adding: "The man is in a very bad position."

In his first reaction to the massacre, Mr. Arafat did not rule out a resumption of his talks with the Israelis. But the PLO leader, who called his senior advisers for emergency meetings Friday in Tunis, is attempting in the aftermath of the killings to extract measures he has long requested from the international community.

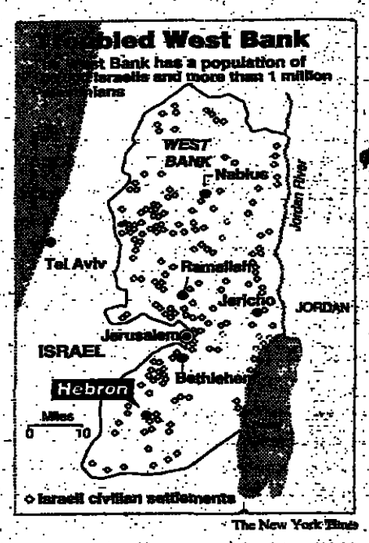
"The problem is in the hands of Israel," said Mr. Kamel, the PLO ambassador to Cairo. "It should withdraw the settlers and the settlements."

The tragic irony of Friday's killings will not be lost on most Palestinians, who all know that the single biggest dispute that has plagued the Israeli-Palestinian talks so far has been Israel's insistence, citing "security" concerns, on fully controlling the border crossings of the Palestinian self-rule areas.

Foreign Minister Amr Moussa of Egypt also suggested that "what happened this morning puts Jerusalem and the importance of putting it on the agenda of negotiations so that the destiny of Jerusalem not become a victim of activities by fundamentalists, or criminals or crazy people."

His comment appeared to lend Egyptian support to moving up the volatile issue of Jerusalem on the peace talks agenda. Under the current framework of the negotiations, the final status of Jerusalem is not to be discussed until three years from now.

Even as Palestinian anger limits Mr. Arafat's maneuverability, some Arab officials suggested the slayings will also put pressure on the Israelis. "It will form some pressure on the Israeli side," said a senior Egyptian official.



The New York Times

HEBRON: *Shrine Becomes Caldron of Death in Worst Killings Since '67*

Continued from Page 1

and Jews. According to the Bible, the Tomb of the Patriarchs is the burial place of Abraham, Isaac and Jacob and their wives.

For centuries after Herod the Great build the fortress-like haram in about 20 B.C., the halls have been the object of conquest and reverence for Jews, Muslims and Christians. When fierce Arab riots swept Hebron and Palestine in 1929, many Jews were killed and most of the survivors fled from the city.

But Jews returned in the aftermath of the 1967 war and the Israeli occupation of the West Bank, and the shrine has remained a cradle of hatred between Jews and Muslims. Inside, they have jockeyed for control of every inch of the building, for every nook between the 9th century centophahs and pillars.

For years, angry incidents have broken out within the walls as Muslims and Jews prayed in close proximity, often within earshot of the entreaties of each other. Recently, for example, militant Jewish settlers threw acid on the carpets used by Muslims for prayers. Jews have often complained of being stoned and knifed as they walked to prayers through a narrow stone alleyway from the nearby settlement of Kiryat Arba.

The attack on Friday came as religious fervor was running high. On Thursday night, according to Arab witnesses, Jews came to pray at the beginning of the festive Jewish holiday of Purim. On Friday morning, Arabs came for Friday prayers during the Muslim holy month of Ramadan.

Two stone towers dominate the structure, the minarets often manned by Israeli Army patrols, who also screen those who enter through a small metal detector at the foot of a staircase built by the Marmalukes after they conquered Hebron in the 13th century.

Shaban Ishweiki, 31, set out for the morning prayers from his home before dawn with his wife and son. The streets were crowded with worshipers, he recalled. "A lot of people were going to the mosque, many more than usual," he said. "But in recent days, the settlers have been annoying the worshipers. While we were praying, we could hear the settlers shouting, always shouting their prayers."

Mr. Ishweiki said the women were separated from the men this Friday morning. The men were shoulder to shoulder as the prayers began. It was the third time in the prayer that the men had bent to the ground, he recalled, when the shots began.

"I heard at least 100 bullets," he said, resting on a hospital mattress with an intravenous tube in his hand. "We heard a lot of shooting from behind. The people who were shot fell back on the others. All the ground was full of blood and most of the people were bloody.

"I tried to get out. I couldn't walk. I felt my knee, I was shot, and I couldn't find my 7-year-old. There was a lot of shooting, and bombing."

According to initial accounts, the Israeli soldiers outside heard the shots and ran for the entrance. But, according to an Israeli official, the soldiers were blocked by a rush of worshipers fleeing the shooting inside. Many witnesses, however, said it appeared to take the soldiers a long time to get to the scene. "It took some very long minutes," said the Israeli official.

Dr. Goldstein apparently had time to reload his Galil. Each magazine holds 35 bullets, and the weapon can fire at a rate of up to 750 rounds a minute.

"He must have gone through 10 magazines," said Basah Khalidi, a witness. "He was shooting nonstop."

The massacre quickly inflamed passions in the city as the dead and wounded were brought to local hospitals.

Although the Israeli Army imposed a curfew on Hebron, hundreds of Palestinians flooded toward the hospitals to get word on family members. In a minibus, one driver clutched small scraps of paper in which he had written the names of the victims. Careening through the streets, the driver periodically turned around to shout his rage at his passengers. "We have guns, and we will kill the Jews!" he declared. "We will not stand for this."

Outside the hospital, Israeli troops tried to disperse the emotional crowds. The troops were hit by stones and opened fire, killing at least three more Palestinians.

Doctors appealed to Palestinians to come to the hospital to give blood and announced blood types over the loudspeakers. Inside, the hospital was chaotic as nurses and doctors tended the wounded.

"My son went to give blood, and he was shot at the hospital," said Faez Khafisha, 52, a surveyor whose son was injured by army fire. "With the Jews, there can be no peace."

Settlers Get Machine Guns From Army for Defense

New York Times Service

HEBRON, Israeli-Occupied West Bank — Jewish settlers in the occupied territories carry Uzi submachine guns that are issued to them by the army for purposes of self-defense. Many also carry pistols, which they can purchase if they have a gun license.

Settlers also are issued rifles and trained in their use during annual service in the army reserve. Officers are permitted to keep weapons at home even when they are not on active reserve duty.

Dr. Baruch Goldstein, the Jewish settler who opened fire in Hebron, was an army physician and a major in the reserves, and was reported to have used a military-issue Galil rifle in the attack.

According to army rules, settlers may use their weapons only when their lives are in danger, but in scores of incidents during the six-year Palestinian uprising in the occupied territories settlers have been arrested, and at times prosecuted, for shooting without justification.

Before Friday's attack, as part of the violence that has escalated since the signing of the Israeli-Palestinian accord last September, assailants believed to be settlers shot and killed four Palestinians, apparently in revenge for killings of Jews.

ASIA: *U.S. and European Arms Makers Prepare for Fierce Competition in the Pacific Market*

Continued from Page 1

utive of Hughes International, a part of leading U.S. military contractor GM Hughes Electronics Corp., said that the Pacific Rim was "fast becoming the most important, and competitive, international market" for military products and services.

Partly as a result of heightened competition for sales since the end of the Cold War, Western governments have eased regulations on the exportation of advanced conventional weapons and associated technologies to non-Communist countries in Asia, where rapid economic growth and strategic uncertainty have combined to create a demand for military modernization.

France is prepared to offer all its military products "without restriction" to Asian countries and examine all forms of cooperation, said Serge Dassault, chairman of the Aerospace Industries Group.

The Clinton administration, which has been promoting arms exports to create jobs and maintain a viable military-industrial base, is drafting a new policy on conventional arms transfers.

"What we are attempting to do is to weed out those controls that are not related to national security," said Jeffrey E. Garten, U.S. undersecretary of commerce for international trade.

He said, however, that the United States would not be "purely mercantilistic" in its arms sales policy.

There are going to be times, Mr. Garten added, when, "unfortunately, our exporters will be at a disadvantage" to companies from countries that have less rigorous export controls than America.

Nonetheless, experts said that growing rivalry between U.S. and European arms makers was likely to lead to increased liberalization of the remaining controls by all Western governments.

The result will be a more sophisticated Asian industry that will have many collaborative ties with Western arms makers but may also be in a stronger position to compete with them for export sales.

This will pose difficult political and economic problems for Western governments as they balance immediate domestic interests, such as sustaining jobs and growth in important military-related industries, against concerns about future competitive edge and international arms proliferation.

At a time when there is enormous surplus capacity in the aerospace and military industries of the U.S., Europe and Russia, most Asia-Pacific nations want to create or expand their own capabilities in these areas for economic and security reasons.

"They are no different from their counterparts in Europe in wanting to develop independent industrial capacity and a degree of autonomy in a field as sensitive as production for defense," said retired General Basilio Cottone, chairman of the board of Augusta Aircraft Corp., a unit of the Finmeccanica group, which accounts for 65 percent of Italy's arms production.

Sales of military equipment to Asia-Pacific countries are often conditional on the supplier's being prepared to license local manufacturing, provide work or benefits to offset the cost of the arms purchase, or undertake coproduction.

Since 1990, the U.S. aerospace and military industries have reduced the size of their work force by 440,000, or roughly one third. Another 50,000 job losses are expected in 1994.

The European industry has suffered similar, although less drastic, cuts.

Mr. Johnson said that there was also concern, at least in the United States, that "the offsets and technology transfer will help set up future Asian competitors, as in the case of consumer electronics, automobiles and steel."

John P. Weston, chairman and managing director of British Aerospace Defense Ltd., said that the company was committed to a strategy of cutting costs and expanding sales in the Asia-Pacific area by establishing manufacturing subsidiaries and joint ventures.

The firm, a division of British Aerospace PLC, accounts for 60 percent of Britain's exports of military equipment.

Louis Gallois, president-director general of the Aerospatiale group of France, said that by developing military industrial partnerships with Asian firms, "we know we are feeding competitors."

But this was a commercial necessity. The idea was to always keep ahead of any competition, he added.

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U.K. Tries to Avert Boycott by Malaysia Over Graft Reports

Reuters

LONDON — Britain on Friday attempted to head off a damaging trade boycott by Malaysia that is threatening contracts worth billions of dollars.

"We are extremely concerned," said a British official. "What we are trying to do is seeing how we can use diplomatic means to avert what may become otherwise a crisis."

The British said there was no question of retaliation.

"No one is talking embargoes or sanctions," another official said.

Malaysia earlier banned British companies from government contracts — including work on a $3.5 billion airport — saying it was sick of British press allegations of official corruption in Malaysia and of a connection between aid donations and a big weapons purchase.

Kenneth Clarke, the chancellor of the Exchequer, tried to play down the impact of the crisis in one of Britain's few real footholds in the expanding Asian market. British trade with Malaysia reached a peak last year with exports worth £965 million ($1.43 billion), up 52 percent on 1992.

"I hope the Malaysians will return to the good and friendly relations we had with them before," Mr. Clarke said.

However, he said "the Malaysians do have to understand that the British press are free, are independent."

The ban marked a return to the bad old days of Britain's relations with its former colony a decade ago. The British-educated prime minister, Mahathir bin Mohamad, imposed a policy of "buy British last" when London introduced fees for foreign students in 1981.

Former Prime Minister Margaret Thatcher personally smoothed over that dispute in 1988, agreeing to a £1 billion arms deal.

At the same time Britain offered its largest single aid donation — £234 million for a hydroelectric project, the Pergau dam.

An alleged link between the two agreements, acknowledged by one British minister, has fueled a dispute in Britain over alleged misuse of the aid to promote arms sales.

The British foreign secretary, Douglas Hurd, on Friday acknowledged publicly for the first time the link between aid and arms, saying it was "justifiable" because it helped British industry.

News of the ban on British firms hit London only hours after the Malaysian Air Force formally took delivery of 28 British Aerospace trainer-fighter jets.

The company said it was deeply concerned at the boycott and sympathized with the Malaysian reaction to the British reports of corruption in Kuala Lumpur.

"We are keeping in touch with the government and we are looking toward the media to be a bit more responsible," said the company's public affairs director, Ian Woodward.

Britain's opposition Labor Party, which had alleged there was an improper link between the arms sales and the dam deal, relished the discomfort of the government.

"If British trade and British jobs are at risk because of this I believe it is because of the abuse of government by Conservative ministers," said Labor's Jack Cunningham.

Alberto Marquez/The Associated Press

RECALLING THE REVOLUTION — The leading figures of the 1986 Philippine revolution that deposed former President Ferdinand E. Marcos: From left, President Fidel V. Ramos, former President Corazon C. Aquino, and Cardinal Jaime Sin, linking hands at an observance in Manila on Friday of the eighth anniversary of the late dictator's departure to exile in the United States.

Patten Presses On, Despite Warnings

Hong Kong Market Drops As U.K.-China Rift Widens

By Kevin Murphy
International Herald Tribune

HONG KONG — Ignoring Chinese threats and a steep drop in the local stock market, Governor Chris Patten on Friday opened the second act of a high-drama play to expand the colony's voting franchise.

Despite warnings that it would seriously damage relations between Britain and China, Mr. Patten introduced a bill in the Hong Kong legislature containing a package of electoral reform proposals already rejected by Beijing in lengthy negotiations.

The step appeared to mark the lowest point in British-Chinese relations in the year and a half since the governor first began his attempt to make Hong Kong's elections more democratic.

China refrained Friday from new attacks on the Hong Kong government, but local businessmen expressed fears that a standoff damaging to their interests had begun and no easy solution was to be found.

"I think Beijing is content to wait this out," said the managing director of one of Hong Kong's largest companies, who asked not to be identified. "And even if they weren't, no one there has the clout to act at this time, given the current situation. It doesn't look good."

The Hang Seng index, which until recently had ignored deteriorating relations between Britain and China over Hong Kong, fell 330 points, or about 3.2 percent, on Friday in a rocky trading session that saw the index twice fall below a 10,000 level. The index fell 331 points on Thursday.

Investors already worried about the negative impact of rising U.S. interest rates on one of the world's best-performing stock markets found a convincing reason to reduce their holdings.

"People are now looking for excuses to sell and they are focusing on the political situation," said Kirk Sweeney, head of research at Lehman Brothers Asia Ltd. "Foreign investors are watching this market very closely."

On Thursday, Hong Kong legislators approved the first half of the Patten proposals by passing a bill reducing the voting age to 18, adopting a British-style balloting format for future elections and abolishing appointed seats on local municipal boards.

That move brought swift condemnation from Beijing and hints of retribution if lawmakers passed the second half of the reforms, which will expand to 2.7 million the number of voters in 30 functional constituencies — Legislative Council seats that are organized along trade and professional lines.

Beijing is enraged that Britain intends to push ahead with a package of election reforms that it says breaks the spirit of earlier agreements on the shape of Hong Kong's political system. The city of 6 million reverts to Chinese control in 1997.

The Chinese pledged Thursday to dissolve any political structure established without its consent, a vow that threatens instability in the time remaining before the transfer.

Some analysts, including Hong Kong government officials, say that China's unwillingness to strike a deal during eight months of negotiations over Mr. Patten's proposals stems from uncertainty in Beijing about the choice of a successor to its ailing senior leader, Deng Xiaoping.

No one, in this view, can risk making a deal with Britain over sensitive topics such as Hong Kong at a time when so much is at stake in internal Chinese power struggles.

Nepal's Young Democracy Faces a Test

By John Ward Anderson
Washington Post Service

KATMANDU, Nepal — The prime minister of Nepal is fighting for political survival in what many see as a test of the three-year-old experiment with democracy in this tiny Himalayan kingdom.

Girija Prasad Koirala, Nepal's first democratically elected head of government in more than three decades, is under fire from rebels in his own party and from a coalition of Communists and other leftists who are backing a no-confidence measure against him in Parliament.

Many observers say that, no matter what the outcome, the struggle is a sign that Nepal's fledgling democracy has taken root, with little chance the country will revert to absolute rule by the king.

"These problems are working themselves out within the democratic system," said a Western diplomat here. The disputes "are not a referendum on democracy.

"It's a power struggle within the ruling party," the diplomat said.

The political theater could take a few weeks to play itself out. Most analysts expect the governing Nepali Congress Party — with 115 members in the 205-seat House of Representatives — to heal its internal rifts temporarily and stave off the Communist challenge. But there has never been a no-confidence measure under the country's new constitution, and the procedures and ramifications are unclear.

"This is very dangerous," said Kusum Shrestha, chairman of the Nepal Law Society, who questioned whether the political process was capable of dealing with the simultaneous threats of a split in the governing party, a no-confidence measure and the personalizing of politics. "Democracy is not properly working because of the irresponsibility of the leaders of both the Congress and left parties."

Nepal's unheralded move to democracy in 1990 was overshadowed by the wave of democratization in Eastern Europe. The country is one of the poorest in the world, with an annual per capita income of $170 and a literacy rate of about 33 percent. About 80 percent of its 20 million people are subsistence farmers.

Nepal was ruled by a hereditary monarchy from 1960 until 1990, when a democracy movement and violent street protests forced King Birendra to reduce his powers, legalize political parties and permit elections to a new Parliament. Today, the elected government runs Nepal but the king retains important powers.

Although the Communist-backed no-confidence measure is the most obvious threat to Mr. Koirala, perhaps a more serious challenge is being mounted by the president of his own party, Krishna Prasad Bhattarai. Previously, Mr. Bhattarai was appointed by the king as interim prime minister for a year before the May 1991 elections that brought Mr. Koirala to office.

Mr. Koirala, who has ushered in an economic liberalization program and is staunchly anti-Communist, and Mr. Bhattarai, who accommodated the Communists during his stint as prime minister, were allies in the democracy movement. They spent a combined 24 years in prison during the king's dictatorship.

But the divide between them has become so wide that Mr. Koirala refused to campaign for Mr. Bhattarai when he ran in a special election for Parliament earlier this month, and Mr. Bhattarai spent most of his campaign attacking the policies of the Koirala government. The Congress Party disciplinary committee launched an investigation Friday into charges that the prime minister and his allies encouraged voters to support the Communist Party of Nepal candidate, who won the election.

Now, Bhattarai loyalists are threatening to vote against Mr. Koirala. But most observers believe that the party will stay united for the no-confidence vote and that in exchange Mr. Koirala will have to add Bhattarai supporters to his cabinet.

Mr. Koirala, whose five-year term expires in 1996, has been grappling with natural disasters, charges of nepotism and corruption, accusations that he is subservient to India, rising unemployment and prices, opposition strikes and charges of police excesses since his first year in office.

U.S. Breaks Off Discussions With North Koreans

Reuters

UNITED NATIONS, New York — The United States has suspended midlevel talks with North Korea after Pyongyang made no commitment to begin international inspections of its nuclear facilities.

Thomas Hubbard, a U.S. deputy assistant secretary of state, said that because North Korea had not yet responded to U.S. proposals, the team was returning to Washington on Friday.

He said he was open to talks with North Korea before next week, when the Board of Governors of the Vienna-based International Atomic Energy Agency meets again.

The agency has urged North Korea to fix a firm day by Monday for inspecting its facilities. If Pyongyang does not comply, the agency will probably throw the issue to the Security Council.

U.S. and Vietnam Open Major Search for MIAs

The Associated Press

HANOI — The United States and Vietnam on Saturday were to begin their biggest recovery operation since the end of the war for the remains of missing Americans.

More than 100 Americans and their Vietnamese counterparts will interview witnesses and excavate as many as 18 sites where Americans are believed to be buried or to have been lost in aircraft crashes in both the northern and southern sectors of Vietnam, the U.S. MIA office said.

Greeks Vote to Honor Turk Victims of 1919

The Associated Press

ATHENS — The Greek parliament unanimously declared Turkey's national holiday — May 19 — a day of remembrance for Black Sea Greeks who were killed during a war between the two countries. The declaration declared May 19, 1919, a "day of remembrance for the genocide of the Pontians." Greece says that about 350,000 Pontians or Black Sea Greeks were killed at the time.

A Turkish Foreign Ministry statement said last week that the decision to declare May 19 a day of remembrance for victims of Pontian Greek genocide, "displays a distorted mentality." Turkey celebrates it as National Salvation Day.

UN Troops in Africa Paid for Child Sex

Reuters

MAPUTO, Mozambique — The United Nations said Friday that some of its peacekeeping troops in Mozambique had paid for sex with children.

The deputy special representative of the UN secretary general in Mozambique, Behrooz Sadry, who led an investigation into allegations by relief workers, said at a news conference that some of the offenders had been repatriated.

A special UN representative, Aldo Ajello, an Italian, said a "wrong impression" had been created that only one contingent of troops was involved. It would be "untrue, unjust and unfair" to keep focusing on the Italians, he said. Bangladesh, Botswana, Uruguay and Zambia also contribute to the force.

Allegations of UN troops paying for sex with children aged between 12 and 14 mainly involved the 1,000-strong Italian "Albatross" battalion. Italy denied the accusations when they first surfaced last month, but movements of its troops were restricted.

About 6,000 peacekeepers arrived in Mozambique, listed by the World Bank as the world's poorest country, after the government and Renamo rebels signed a peace agreement in October 1992. Mr. Sadry said some offenders had been repatriated, but he did not know exactly how many. He said he believed that involvement with prostitution had now stopped.

BOOKS

THE FERMATA

By Nicholson Baker. 303 pages. $21. Random House.

Reviewed by
Michiko Kakutani

WHO is Arno Stine? To get a picture of Nicholson Baker's repulsive new hero, think of the worst charges of sexual harassment hurled at Clarence Thomas and Senator Bob Packwood.

Think of the charges of sexual abuse made against a Manhattan dentist who was accused of molesting women while they were unconscious under anesthesia.

Season these allegations with lots of puerile humor, combine them with the magical powers of the Invisible Man, and you have a pretty good idea of what the hero of "The Fermata" does in his spare time.

Arno is an temporary office worker in Boston and thinks of himself as a sensitive man and responsible citizen. He's one of those guys who is constantly telling you what a thoughtful, creative fellow he is. He's a sort of Eddie Haskell for the '90s, well versed in the arts of hypocrisy, sanctimony and self-promotion.

Arno's hobby, his calling in life really, is molesting women, and he has contrived a special technique.

Arno, you see, has a magical ability to stop time. By snapping his fingers, he can instantly freeze the universe in place. Like the pause button on a VCR, he can place the world on hold, and he uses this bizarre talent to violate unsuspecting women as he surreptitiously moves through the frozen world.

Sometimes Arno uses his power to undress and fondle women he meets in the office, on the street or in a store. Sometimes he uses his power to spy on women, gathering information that will help him seduce them in real life.

It never occurs to Arno to worry about the dangers of sexual disease. It never occurs to him, or apparently to his creator, to think about the feelings of the women he routinely molests.

"No life could be finer than mine," Arno exults. "No compulsively promiscuous actor or pop singer, no photographer for a men's magazine, has a better life."

Arno sees no reason to feel contrite. "I would condemn in the strongest terms anyone else who did what I have done," he declares. "But the thing is, I did it, I did it, and I know myself, I know that I mean no harm, I mean well. I want simply to know what every woman looks like and feels like. I mean only to appreciate what the ribs of a complete stranger feel like under my hands, or to hold some hair I haven't held before."

Like "Vox," Baker's last book, a best-selling novel that took the form of an extended telephone chat between a man and a women who meet on an adult party line, "The Fermata" is filled with sex talk that is neither sexy nor entertaining.

"Vox," however, at least made a pretense of being a real novel: It had characters about whom the reader was vaguely curious, and dialogue that intermittently evinced the gift for imagery and metaphor that distinguished Baker's estimable first novel, "The Mezzanine," and his amusing meditation on John Updike, "U and I."

"The Fermata" does not even bother to go through such motions: it consists simply and entirely of Arno's pornographic musings tied together by the most contrived sort of stream-of-consciousness transitions.

None of Baker's considerable talents as a writer, his ability to reinvent the mundane rituals of daily life or limn the inner lives of his characters, are on display in this volume.

Neither the philosophical implications of Arno's magical ability to stop and start time nor the psychological implications of his sexual exploits are ever explored.

Instead, the reader is treated to the spectacle of a talented writer trying to lower himself to the level of those sophomoric scribes who write letters to Penthouse and Hustler.

At one point, Arno refers to his own pornographic jottings as "rot." It's a term that applies perfectly to "The Fermata." The decision of Random House to publish the book for Valentine's Day was the ultimate bad joke.

Michiko Kakutani is on the staff of The New York Times.

ALTOGETHER NOW By Bette Sue Cohen

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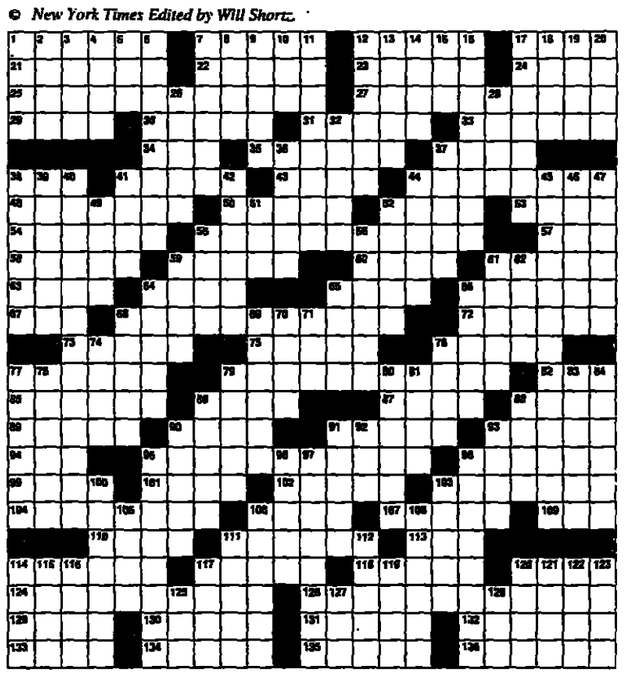
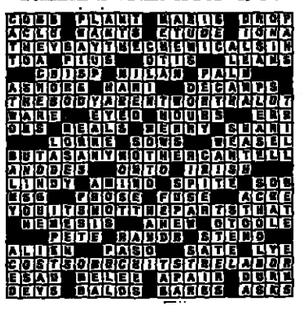


ACROSS
1 Made creases
7 Brooklyn institute
12 Filled in holes
17 Stomach soother
21 —— Islands, British protectorate until 1965
22 She played the woman in "A Man and a Woman"
23 Fall off
24 Give off
25 Avocado
27 Opening of 1914
29 "Ministry of Fear" director
30 "Our Miss Brooks" actress
31 Spoil
33 Disinclined
34 Business V.I.P.
35 Temptingly tasty
37 Thirsty
38 Sound from Sandy
41 Roles for Oland and Toler
43 Site of Jesus' first miracle
44 Belief
48 Achieved
50 Gather
52 Herds of whales
53 "The Diamond Queen" actress
54 Imperfect
55 Visitor of 1986
57 Skater Babilonia
58 —— one
59 Foreshadows
60 Compelled to go
61 Tee, e.g.
63 Basslike
64 "—— Le Moko," 1937 film
65 Dog, in a way
66 Foil
67 Train station abbr.
68 Producer of motion pictures?
72 Family name on TV's "Alf"
73 Rascal
75 Peter of cable's VH-1
76 Alternative to waffles
77 Mother-of-pearl source
79 Western wear
82 Cleaner, for short
85 B-29
86 Pulled into
87 Honker
88 Founder of the Stoics
89 Peter Mansfield book, with "The"
90 Mediterranean shipping center
91 Was inattentive
93 River to the Caspian
94 —— Marino
95 X, for example
98 Singer from Roswell, N.M.
99 "Holy smoke!"
101 Night times
102 Architect Jones
103 English game played with horse chestnuts
104 Returned-mail notation
106 Sweetheart
107 Singer Judd
109 Literary inits.
110 Stand
111 Shakespeare's "fairy favours"
113 1965 Ursula Andress film
114 Deposed
117 90's parties
118 "Tiny Alice" playwright and family
120 Canvas
124 Captain's superior
126 Slow method
129 Word of woe
130 Supporter of the arts
131 Window shades of a sort
132 Turn on
133 Thérèse and others: Abbr.
134 Red and spotted, e.g.
135 Darling
136 Gossips

DOWN
1 Insignificant
2 Greenhouse bloom
3 Frigg's husband
4 Co-star of "The Avengers"
5 "Uncle Tom's Cabin" girl
6 Impartial
7 Inmate's wish
8 Ready
9 Fix
10 —— service
11 Of third rank
12 Per ——
13 Erie Canal city
14 "Critique of Pure Reason" author
15 Letter in a fraternity name
16 Actor William
17 Withdrew
18 Early astronomer
19 Noises
20 Start of a Dickens title
26 Greek nymph
28 Keen
32 Record
36 Farmland
37 Pistol-packing
38 Loser of 1588
39 Lector
40 Popular weather forecaster
41 Mr. Huntley
42 Burnt
44 Kind of back or hair
45 Movie starring "King"
46 Accusation
47 More noble
49 Los Angeles gang member
51 Hurrah!
52 Rangers' defense
55 Noted potters
56 Hitching post?
59 "Out of my way!"
61 Tee off
62 Practice, so to speak
64 Four-time Masters winner
65 Harmonizing
66 Strip, for one
68 Actress Carol et al.
69 Kind of show
70 Unit of loudness
71 Part of the works
74 Batting wonder, 1905-28
76 Prattle
77 Belittled
78 Blue-flowered European herb
79 Byes
80 Titania's husband
81 Neighbor of Tibet
83 Tees off
84 Vulgar
86 Still
88 Knock out
90 Van line
91 Snap request?
92 Cabriole
93 First of an ancient trio
95 Sowed again
96 Daughter of Tantalus
97 Like some numbers
98 "—— Book," circa 1086
100 Leaves
103 Comedian Myron
105 Leontyne Price role
106 Robert and Shelley
108 —— as ABC
111 More collectible, maybe
112 Juices
114 Mountains south of the Kara Sea
115 Groomed
116 Official's staff
117 Mezzo-soprano Stevens
119 Farm worker
120 1982 Disney film
121 In —— (stuck)
122 Sub ——
123 White House abbr.
125 She played W. C.'s "chickadee"
127 "Norma ——"
128 Long intro

Solution to Puzzle of Feb. 19-20



OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Rethink Russia Policy

The bluster on Capitol Hill suggests the need for a little detachment on the Ames case. The Russians are accused of faithlessly trolling for American spies. But the trolling was done not in some pool of innocents and dupes but inside the American intelligence agency and inside its very bureau devoted to trolling for spies in the Russian intelligence agency and repelling Russian trolling. This was a competition among professionals. This time Russia apparently won.

It is a hard game: Soviets who had spied for the United States may have been caught and executed on tips supplied by the accused; Aldrich Ames must be held to account. But an intelligence enterprise that is good for the American goose has got to be allowed to the Russian gander. This is the world as it still is, and Cold War or no, it is the safer for effective steps taken to narrow the ambit of unpredictability in it.

There is a touch of partisanship in some of the Republican growls over the Ames case. It is being added to already-gathering doubts over President Bill Clinton's overall Russia policy to make the point that he is soft on Russia. But wait a minute. By the charges, the accused was recruited on Ronald Reagan's watch; three years into George Bush's watch the investigation started; on Bill Clinton's watch the plug was finally pulled. There is no *merit in any claim that one political party or* the other is uniquely vigilant.

"This case," says Mr. Clinton, confronting attacks on his program of aid for Russia, does not undermine his Russia policy. In these limited terms, he is right. "This case" runs on its own track. Aid-sponsored projects like privatization and denuclearization serve an evident American interest. Typically, the administration leaps to blame anti-Yeltsin elements for the Ames affair. True or not, it is clear that suspending aid — for espionage of a sort that both countries conduct — would be taken as a hostile act. There are lesser, diplomatic ways to play out this round.

That does not remove the Clinton Russia policy from challenge on other grounds. The policy is not producing the intended change in Moscow, and it is losing support in Washington, and not only among Republicans. Republicans are now declaring that the Clinton policy is based on a dreamy reliance on the unreliable Boris Yeltsin. They should keep in mind that the author of a betting-on-Boris policy was George Bush. Still, the policy's frustrations are real.

Senator Richard Lugar urges a "rethinking." Let it proceed. The questions: Has the United States imprudently hooked itself to a Russian leader who can deliver neither democracy nor economic reform? Is there an alternative leadership in sight or alternative ways to advance reform? Or is the Russian domestic scene so resistant to outside influence, and the transition from communism so uncertain, that the United States had best retreat from domestic makeover to a focus on Moscow's conduct of foreign affairs?

— THE WASHINGTON POST.

Tinkering With Death

Justice Harry Blackmun of the U.S. Supreme Court, never afraid to show the human, often anguishing side of judging, now roundly condemns the death penalty. It is clear, he said in a dissenting opinion this week, that no rules or rulings "can ever save the death penalty from its inherent constitutional deficiencies."

His was a noble cry of conscience and a bitter indictment of the court itself for mishandling death cases. He wrote from a quarter-*century of experience on the court and* with the credibility of a justice who had tried hard to make capital punishment work justly.

We find capital punishment — state-sponsored killing — morally repellent and against the constitution's ban on cruel and unusual punishments. We oppose attempts to enact new death penalties and find that public safety concerns can be fully met with life sentences without parole, as Governor Mario Cuomo of New York has valiantly contended.

But even for those who disagree over fundamental policy or basic constitutionality, Justice Blackmun's argument on other grounds deserves respectful attention.

Though opposed personally to the death penalty, Justice Blackmun initially joined the court's reinstatement of capital punishment in 1976. He endorsed a scheme of "guided discretion" for juries, setting criteria and procedures to cure the previous random nature of capital sentencing.

Looking back, he finds that two features of the court's scheme were destined to clash: guidelines designed to ensure consistency in death sentencing proved at odds with well-meaning decisions allowing juries unbridled discretion to be merciful.

But even if those divergent goals could be served, he goes on, "it is clear that this court is not prepared to meet the challenge." He berated his colleagues for relaxing their vigilance, accelerating death cases to meet a death agenda and, in the name of federalism, tolerating state roadblocks to thorough appellate review of sentences.

Taking issue, Justice Antonin Scalia filed his own opinion arguing, callously, that all the court need do is dispense with what he considers excessive solicitude for defendants that leads to arbitrary clemency.

Justice Scalia argues from the simplistic *premise that the constitution so clearly ac*knowledged the validity of executions that no special rules of consistency or fairness need be attempted to save their constitutionality.

The court has rightly held, to the contrary, that the Eighth Amendment's ban on cruel and unusual punishments demands re-examination of even time-honored penalties to see if they comport with "evolving standards of decency."

With Justice Scalia in the majority, the court has backtracked on that "evolving standards" review in case after case, leading Justice Blackmun to his widely quoted stand: "From this day forward I no longer shall tinker with the machinery of death." He will vote instead to invalidate every death penalty that comes before the court.

Congress and state legislatures also are flunking the evolving standards test. Regression is the political order of the day. Lawmakers are excessive and demagogic in their rush to convert more crimes into capital ones.

Even those who do not share our basic quarrel with capital punishment can learn from Justice Blackmun's pragmatic, elegant and powerful dissent.

We hope that, contrary to the justice's pessimism, he will live long enough to see abolition of the death penalty and a Supreme Court courageous enough to resist extremism in punishment.

— THE NEW YORK TIMES.

The Telecom Failure

By calling off their merger, Bell Atlantic and Tele-Communications Inc. have at least postponed the emergence of a phone-and-entertainment company spanning America. But whether this collapsed negotiation will actually be a setback to the rapid development of the underlying technology is another matter. There is no reason to think this failure to complete the merger will harm customers — and it may well turn out to be a benefit.

Two separate industries, telephones and cable television, are now in the process of transforming themselves into one. There are two ways to do it. One is through the merger of established companies, of which the marriage between Bell Atlantic and TCI was to be the largest but hardly the only example. The other way is through competition, the process *by which a company with a base in one field* develops the technical and marketing skill to push its way into the other. Experience says that the second route is generally more effective in generating new technologies.

That is one of the reasons why public policy in the United States favors the competitive model, and would have looked with suspicion on the appearance, at this very early state in the growth of a new industry, of the dominant coast-to-coast company that the merger promised. It might well have been met with antitrust litigation, and it certainly would have invited more regulatory legislation.

Regulation is already a sore point. The two companies are blaming the Federal Communications Commission's ruling earlier this week reducing cable prices, although that appears to be far from the most important reason for the breakdown of the merger. But the FCC is being pushed hard by Congress to regulate, on grounds that most cable markets have no competition. If the merger had succeeded, it would have produced a company operating in 49 of the 50 states, which would not have done much to allay congressional concerns on that subject.

As a practical matter, the collapse of this grand plan may not have much effect on the speed with which the two industries begin to reach each others' customers. Bell Atlantic, for example, will continue to pursue its intention of bringing interactive services to more than a million of its customers, including many in the Washington and Baltimore areas, by the end of next year. Interactive services will mean, among other things, that people can dial up video movies on demand over their phone lines. Similar innovations are appearing all over the country. They don't require one huge nationwide company to make them work.

— THE WASHINGTON POST.

Other Comment

End Capital Punishment

You can't always be consistent and fair in meting out the death sentence, Justice Harry Blackmun has suggested. Since the constitution requires both in capital sentencing, capital punishment is unconstitutional. We don't see how any principled justice could disagree, after looking at what has transpired in legislatures, in courtrooms, jury rooms and on death rows.

— The Baltimore Sun.

International Herald Tribune
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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46.37.93.00. Fax: Circulation, 46.37.06.51; Advertising, 46.37.52.12.
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Honeymoon Over, the Two Powers Go Their Own Way

By Charles Krauthammer

WASHINGTON — Americans really did not need a major spy scandal to tell them that the honeymoon with Russia was over. But the arrest of the CIA's Aldrich Ames makes the point with some finality.

There is no need to be scandalized by the Ames affair. Everyone spies. But there is a need to be sobered. Not everyone spies in the same way. That post-Soviet Russia should have continued to run the CIA's Soviet counterintelligence chief as a Russian mole helps clarify the nature of the U.S.-Russian relationship.

Yes, friendly countries do spy on each other. But Russia's spying on America (and vice versa) is of a different order than, say, reading France's E-mail. And were the French to discover someone passing secrets to the United States, he would hardly be shot, as were agents Mr. Ames allegedly betrayed to Moscow.

That is the difference between peering in on friends and spying on rivals. The Ames episode helps define Russia clearly. It is not an ally. At best, it is a potential partner, though that is many years off. For now, it is a rival with diverging interests.

But not a mortal enemy. It is important to keep that distinction in mind against the alarmists who would point to Mr. Ames and have us believe that nothing has really changed since the Cold War. Everything has changed.

The Soviet Union was a mortal enemy, unrelentingly hostile because it defined its interests as intrinsically opposed to those of the West. It held deeply that there were two opposing camps in a world with only room for one. All conflicts were thus zero-sum (with one exception: nuclear weapons, which had the potential to destroy both camps simultaneously).

Russia today is far different. It is not ideologically hostile to the West. Properly speaking, it cannot be said to have any ideology at all. It does, however, have national interests. Some are compatible with America's, some are not. In Central Asia, for example, where the Soviets are meddling in the civil war in Tajikistan, Russian and American interests coincide. The Russians are manning a front line against Islamic fundamentalism. Fine. Meddling in the Baltics and Ukraine, on the other hand, a front line of Western democracy, is not all right with America.

Dealing with Russia will require that U.S. officials grow up and adopt a nuanced view of Russian actions and intentions. Russia is a great power. It seeks a sphere of influence. *Some of this seeking Americans do not like* and will oppose. The result will be conflict.

The next major flash point is Crimea, the formerly Russian province now part of Ukraine, which late last month voted overwhelmingly for a president pledged to Crimean independence and/or reunification with Russia. Ukraine does not take kindly to its coming dismemberment, just as Russia has never taken kindly to Ukrainian independence (from Moscow). A major conflict is brewing, possibly war, a war that would make the Bosnian conflict look tame. U.S. sympathies and interests lie with Ukraine. A Crimean war, if not headed off by some compromise, threatens a serious U.S.-Russian confrontation.

Another flash point is Bosnia. Last week, things looked deceptively amicable. By getting the Serbs to acquiesce to NATO's Sarajevo ultimatum, Russia took the West off the hook. But the relief with which the Russian entry into Sarajevo was greeted in the United States was extraordinarily shortsighted. Americans were relieved of the need to carry out the threat of air strikes. But the Russians are not in Sarajevo on America's behalf. They are there on behalf of the Serbs.

The Russian presence shields the Serbs from NATO attack. The United States is not *about to drop bombs that could kill Russians.* While a cease-fire is an immediate relief to the Bosnian Muslims, it is a strategic gain for the Bosnian Serbs. A cease-fire in place is a Serbian objective, not a Muslim one. The Serbs would very much like an armistice that leaves them with the 72 percent of Bosnia they hold today. It is the Muslims who want to fight on to regain lost territory.

The Russians have now intervened on the ground and at the peace table on behalf of the Serbs. America has taken up the cause of the Muslims. Two great powers, two conflicting interests. With the Sarajevo ultimatum, Americans and Russians enter upon a serious, potentially dangerous game of Balkan roulette.

"The period of market romanticism is now over," declared Prime Minister Viktor Chernomyrdin upon assembling his reform-averse, apparatchik-heavy government in Moscow last month. But it is not just Russia's fling with market reform that is over. The diplomatic honeymoon with the West is over too.

The Ames affair did not cause the honeymoon's end. It only marks the end. It is a minor event. But it signals the truly major event playing out today in Bosnia, tomorrow in Crimea: two great powers, after a momentary embrace, going their own way.

Washington Post Writers Group.

Bosnia: A Fig Leaf for Western Failure

By David Rieff

NEW YORK — The imposition of an effective cease-fire in Sarajevo is being hailed as a triumph — the genuine, if belated, expression of Western resolve. The latest cease-fire, which is between the Bosnian Croatian forces and the government, adds to the impression that Bosnian peace is finally at hand.

But the significance of what appears to be the end of the shelling in Sarajevo and the latest truce is quite different. In all likelihood, it is the humanitarian fig leaf covering the West's final acceptance of the Serbian victory on the battlefield.

For all the bluff talk from NATO headquarters, the White House and the Quai d'Orsay, what has been accomplished is nothing more than the silencing of the Bosnian Serbs' guns. NATO did not demand, as it might have, *the ending of the siege of Sarajevo* or free access for aid convoys.

In the meantime, in an extraordinary coup, the Russians vitiated whatever force the NATO initiative might have had by sending 800 troops to Sarajevo.

While Western officials worried about whether the Russians would be "objective" enough to monitor Serbian weapons turned in to the United Nations, the Russians positioned themselves to accomplish a far more important strategic goal.

By stationing themselves in Grbavica, the Serb-occupied section of downtown Sarajevo, they are guaranteeing the partitioning of the city. It is inconceivable that the Bosnian government will again try to retake Grbavica, as it did, with some success, in December; the sector is now in effect garrisoned by Russians.

The interposition of UN soldiers — British, French, Malaysian, Egyptian, Russian — also puts an end to future talk of NATO air strikes, whose avoidance has long been a UN goal. It has done everything it could to prevent military action. To bomb now would mean killing not only the people besieging the city but UN troops, too.

The new initiatives really amount to an acknowledgment of the Serbs' victory and a freezing of the battle lines, at least between the Bosnian government and Bosnian Serbs.

With the Serbs holding all the territory they wished to conquer, and all hope of reversing this situation on the battlefield blocked by a UN cordon sanitaire, this represents an intervention on behalf of the Serbs.

That is why Radovan Karadzic, the Bosnian Serbs' political leader, has been so ready to give in to NATO. He is not impressed by the alliance's resolve. Rather, he knows he has won, and, with timely Russian help, he understands that the West has finally acknowledged his victory.

To pretend that what is taking place is a step toward justice is rank hypocrisy. What is being negotiated now is not a just settlement but rather the terms of the Bosnian government's surrender.

To placate Western opinion, the conditions in which the people of Bosnia are living have to be improved. In the fairy tale world of public pronouncements, evil is not supposed to triumph. But it has.

The Serbs' campaign of aggression, murder and "ethnic cleansing" has won the war for them. The West has reluctantly concluded that there is nothing left to do but ratify it in a partition plan that will probably mean the end of Bosnia.

The writer, who has reported frequently from Bosnia, is writing a book about the war, "The Slaughterhouse." He contributed this comment to The New York Times.

The Christian Science Monitor, Los Angeles Times Syndicate.

NATO Gives the Bosnians a Chance to Gain Control

By Frederick C. Cuny

SARAJEVO, Bosnia and Herzégovina — Twenty-four hundred hours Greenwich mean time, Feb. 20, 1994, will go down in history as the high-water mark of Serbian expansionism and the beginning of the end of the Bosnian war.

The successful NATO ultimatum that forced the withdrawal of heavy artillery from the outskirts of Sarajevo marks a major defeat for Serbia's president, Slobodan Milosevic, and the collapse of the ultranationalists' dream of building a greater Serbia from parts of Bosnia and Croatia.

For the beleaguered Bosnians, NATO's action finally puts them solidly in position to control the *political future of their country.*

The withdrawal of the mighty Chetniks — as the Bosnian Serbian fighters call themselves — from the hills around the city was a nonevent. Never mind the celebrations surrounding the arrival of the token Russian troops. Withdrawing without a shot is the kind of event that can destroy an army.

The Serbian soldiers' confidence in their leaders will be undermined, and it will not be long before they realize that by delaying withdrawal they only lost more weapons to the gun collection of the UN commander, Lieutenant General Michael Rose.

The Bosnian president, Alija Izetbegovich, and the citizens of Sarajevo are angry that NATO warplanes did not slam their besiegers when they were not in full compliance by the deadline. They worry that weapons-collection sites in Serb-held portions of the city could be retaken. But NATO was right to show restraint: Victory in this case was not having to fire a shot. If the Serbs try to retake the weapons, or fire at the city from outside the 20-kilometer (12-mile) designated zone, NATO will keep its end of the bargain.

The Bosnians should consider the bigger picture. The only way for the Serbs to consolidate their gains on the battlefield would be either to capture *Sarajevo or to use the threat of capturing it as* leverage in negotiations. To win a war, you have to seize the palace. The Serbs can't do that now. From here on in, they will be in retreat.

And not only the Serbs. At noon Friday, a cease-fire between the Muslims and Croats took effect.

The Croats' dream is to be part of the European Union and a trading partner of the United States. Now their Serbian ally has been threatened by NATO, and if the Croatian troops besieging Mostar fail to honor the truce, they could be next.

Ultimately, the only way Croatia can get international support for reclaiming the Krajina, the region southwest of Zagreb that was seized by the Serbs in 1991, is to reforge its alliance with Bosnia.

The political situation could then change dramatically. With almost two-thirds of the population supporting a unitary state in Bosnia and Herzegovina, the Bosnian Serbs would be back where they started.

In a separatist war, the advantage is always with the recognized government. As long as the Bosnian government never renounces its claims to territory taken by the rebels, few other countries will recognize the breakaway areas.

But for now, the UN-brokered withdrawal of Serbian forces is a critical first step. With less danger of imminent attacks, relief agencies will be far more willing to come to Sarajevo.

And if General Rose fulfills his mandate to lift the siege, commercial traffic will be able to get in and out with food and other essentials, freeing UN convoys for other areas.

So what should President Izetbegovic's advisers be telling him?

Be patient. Reforge ties with the Croats. Work with the UN and NATO. Go to Geneva but do not rush into agreements with the Serbs. Let time work to your advantage.

There is still a long way to go, but the Serbs' moment has passed.

The writer, who works for an international relief organization, has been in Sarajevo for more than a year. He contributed this comment to The New York Times.

An Equivocating Britain Led the West Down the Slippery Slope

By Tom Gallagher

BRADFORD, England — Prime Minister John Major's visit to Washington is likely to test rather than strengthen the much-vaunted special relationship between the United States and Britain.

Following the Sarajevo market massacre on Feb. 5, it took a blunt warning from Washington that further equivocation would seriously damage the Western alliance before Britain would put its name to the forceful NATO ultimatum to Sarajevo's besiegers. This was quickly followed by the Russian initiative to persuade the Bosnian Serbs to pull *back their weaponry on terms advan*tageous to the besiegers, which Mr. Major was informed of when in Moscow, but which senior U.S. policymakers learned of only from CNN.

Another bid to halt aggression against defenseless civilians is being diluted, with Britain playing a leading role. It is worth remembering that Britain largely defined the West's minimalist policy in the Balkans.

Foreign Secretary Douglas Hurd has consistently argued that it is not the West's quarrel, and that no purposeful action from outside can stop it. After each massacre of civilians he argues that nobody's interests are served by arming the Bosnian government, deploying NATO ground troops to enforce peace, or even using aircraft to destroy the tanks and artillery that pulverize Bosnian towns.

It was largely by default that Britain *became the West's leading player on* Balkan policy in 1991-93. Its partners were preoccupied with other things: George Bush with his re-election campaign, Germany with the costs of reunification, the Italians with the collapse of their political system.

Fate also decreed that Britain held the presidency of the European Community in the second half of 1992 as the war in Bosnia was entering its most murderous phase. By now there was plenty of evidence of a concerted effort to drive much of the Muslim population out of Bosnia by systematic murder, rape and destruction.

Mr. Hurd brushed aside appeals to build a coalition of European powers to save Bosnia. Instead the emphasis was put on shuttle diplomacy. Under first Lord Carrington and then Lord Owen, Britain played a leading role in UN- and EC-sponsored peace *missions. This led to the spectacle of* Slobodan Milosevic, the chief architect of the war, being treated as a negotiating partner worthy of respect. Mr. Hurd publicly doubted the usefulness of the 1992 decision to launch a UN investigation of people like Mr. Milosevic who sponsored the killing machine in Bosnia.

Several U.S. officials, ashamed by the fickle approach of the Bush and Clinton administrations toward Bosnia, have resigned. There have been no such resignations from the British Foreign Office. Britain's mandarin officials have reactivated a Balkan policy that dates to the Ottoman Turkish occupation, built on the premise that a firm hand is needed to control peoples who are unfit for democracy.

This mind-set culminated in the Owen-Vance peace plan last April, which was largely shaped in London. It proposed to divide multiethnic Bosnia into a series of arbitrary ethnic units, *offering nothing but a life of* misery for tens of thousands of mixed families. It was a bad plan, which would have punished the victim and rewarded the aggressor, and it helped to widen the war by encouraging Croatian forces to occupy land that the plan would have awarded to them.

Embarrassment among Britain's partners about a plan that was likely to create an apartheid system in the heart of Europe was palpable.

Most British citizens have far more sympathy for the plight of Bosnia than do the policymakers. As many as 40 percent of them agreed with Margaret Thatcher when she said that "the West, by not doing more, has been an accomplice to massacre."

British policy toward the war in the Balkans has been based not just on ignorance and prejudice but on the short-term domestic interests of a floundering political elite in London. This elite, largely isolated from the public and insular in its outlook, feels more affinity for Russia, with its great-power past and common problem of managing economic decline, than it does for its main West European partners. This helps to explain why Britain supports a Russian role in Bosnia (which is farther from Russia than Britain is) on the dubious premise that ancestral ties are involved.

The short-term approach to the Bosnian disaster orchestrated by Britain threatens to destabilize much of Europe and license a wave of ethnic strife and inter-state conflict.

Core U.S. interests, and obvious moral considerations, mean that John Major should leave Washington in no doubt that his Bosnia policy is being closely scrutinized — and that any more flights of expediency that exacerbate the Balkan crisis will not be lightly forgotten or forgiven.

The writer is a senior academic in the Peace Studies Department of Bradford University, England. He contributed this comment to the International Herald Tribune.

For Major, Haven in the White House

By Anthony Lewis

LONDON — The Conservative Party has been in power in Britain for nearly 15 years, and it is showing the inevitable signs of that long a hold on office: weariness, stumbling, public *disaffection. Many feel about* Prime Minister John Major and his government what Oliver Cromwell said to the Rump Parliament in 1653:

"You have sat here too long for any good you have done. Depart, I say, and let us have done with you. In the name of God, go!"

In a poll last month, more than two-thirds of those asked said they were dissatisfied with Mr. Major.

A grim sign is the contemptuous tone of pro-Conservative newspapers. The Sunday Times said this week that the government "singularly lacks the country's confidence."

What Mr. Major hoped would be a winning new political slogan, "Back to Basics," has become a public joke. It suggested a return to moral values, but over the last two months a series of Tory members of Parliament have been caught in sex scandals.

That may be regarded as bad luck. But the government has legislative troubles that are a matter not of luck but of ineptitude.

A tough-sounding crime bill should have been popular. But it was drafted to centralize police powers in political hands, and that outraged the police. Key clauses were thrown out by the usually compliant House of Lords.

Conservatives pride themselves as being the low-tax party, but tax rates are now actually above the levels in the last Labor government. A jump in April will have the average family paying £100 ($150) more each month than a year earlier: a savage increase.

The country is just inching its way painfully out of a long recession. In the 15 years of Tory government, Brit*ain has had the lowest economic* growth of any industrialized country.

Then there is foreign policy. Mr. Major and his foreign secretary, Douglas Hurd, have been the leading opponents in Europe of intervention against Serbian aggression. A one-time Conservative minister of defense, Sir John Nott, published a bitter attack on the government's foreign policy in the Evening Standard the other day under the headline "The Weak Man of Europe."

With all the battering he has taken at home, Mr. Major must be grateful for the red-carpet treatment he is about to get from President Bill Clinton on a visit to Washington. On Monday *night he will sleep in the White* House — the first British prime minister to do so since Churchill. Earlier that day he will fly on Air Force One with the president to Pittsburgh, where his grandfather lived.

Some here see Mr. Clinton's gestures as a sign that the president now understands the value of the Anglo-American "special relationship." But that has long been in the category of myth. Mr. Clinton likely wants to soothe ill feeling over the recent grant of an American visa to Gerry Adams of Sinn Fein, the IRA's political arm.

The political realities to which Mr. Major will return include a series of elections over the next few months: for local governments, for *seats in the European Parliament* and a by-election for a traditionally Conservative seat in the House of Commons. In all, the prospects are gloomy for the Tories.

The prime minister can nevertheless soldier on, and almost surely will. He won the last election against the odds, and friends say he has faith that *he can do it again.*

The Labor Party might do something silly enough to blight its long-awaited recovery. Labor and the third party, the Liberal Democrats, might get in each other's way. Mr. Major projects a personal decency and reasonableness. But still, time has its claims. A disaffected Conservative here said: "The only thing that matters after all these years is a change of government. That applies anywhere in the world."

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Cruelty Punished

PARIS — Gustave Brachot, driver of a furniture van, had yesterday [Feb. 25] a practical lesson in the inadvisability of cruelty to animals. While passing through the rue d'Allemagne, he commenced to thrash his horse with such brutality that some passers-by interfered and endeavored to make him desist. Instead of doing so, Brachot stood up in order that he might strike his horse with greater force. The tortured animal gave a bound forward, upsetting Brachot, who fell to the ground and the van passed over him, breaking both legs.

1919: Against the League

NEW YORK — Societies to oppose the ratification of the League of Nations are being formed in New York, according to Congressman Henry A. Wisewood. This is another indication that the opponents of the League have a strong organization which will work while the President is abroad. This makes the administration, as well as the anti-administration Senators, anxious to have sessions while the President is absent, giving both sides opportunity to freely air their views. It has been thought probable that the President is loath to call an extra session of Congress before the Peace Treaties are ready for ratification, because the Republican majority will control after March 4.

1944: A U.S. Air Victory

PACIFIC FLEET HEADQUARTERS, Pearl Harbor — [From our New York edition:] The American task force planes which attacked islands in the southern Marianas on Feb. 22 pushed home their assault despite early detection by the enemy and fierce aerial and anti-aircraft opposition, Admiral Chester W. Nimitz, Pacific Fleet commander in chief, disclosed today [Feb. 25]. In all 235 Japanese planes were destroyed in aerial combat or on the ground. Six American planes were lost.

Find out what the restructuring of China's economy really means for business.

Straight from the people who wrote it.

The International Herald Tribune and the State Commission for Restructuring the Economic Systems of China are inviting the world's business leaders to an unprecedented three-day Summit meeting on China's economic reform.

Its aim is to foster a dialogue as well as business development opportunities at the highest levels amongst the leaders of the Chinese government and the global business community.

The Summit, "The Socialist Market Economy of the People's Republic of China, 1994 – 2000: Implications for Global Business," will be held in Beijing on May 11th, 12th and 13th of this year.

Participating will be the major figures of the Government of China as well as key provincial government and state industry leaders. It will be a rare opportunity to hear and personally meet the people who are driving China's economic direction into the next millennium.

As you would expect with an event of this stature, it will be a closed-door conference and will not be open to the general public.

The International Herald Tribune is inviting a limited number of the largest multinational corporations with a stake in the future of the Chinese economy to participate as Summit Sponsors. There will be 3 levels of sponsorship: Summit, Corporate and Supporting. Each will offer a comprehensive communications package consisting of conference-related benefits and advertising in the International Herald Tribune and a leading Chinese-language daily newspaper. The deadline for registration is March 15th.

For a complete information package, please fax Mr. Richard McClean, Publisher, at +33 (1) 46372133. Or call +33 (1) 46379301.

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THE INTERNATIONAL HERALD TRIBUNE CHINA SUMMIT.

ART

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Threats to Art Put Hermitage On Defensive

By John Rockwell
New York Times Service

ST. PETERSBURG — In the depths of the Russian winter the cold drives the tattier St. Petersburg street vendors indoors. Snow masks the urban decay and reflects light off the city's pastel palaces and golden monuments glittering in the sun. The canals and even the Neva River are mostly frozen, steam rising eerily from the water and ducks scrabbling desperately for food. It's so cold, about all one *can* do is talk.

At the Hermitage Museum, as at all large Russian arts institutions, the talk is mostly of money. Since Mikhail B. Piotrovsky inherited the job of director from his father in the summer of 1992 — Vitaly A. Suslov briefly bridged the gap between the two men — he seems to have done an admirable job establishing links to the West and otherwise compensating for faltering state support.

A livelier subject of conversation are threats to the integrity of the Hermitage collection. In this chaotic and unstable period in Russian history, the threats come from several directions: from breakaway former Soviet republics, who want back their artworks and archaeological artifacts; from the Russian Orthodox Church, seeking icons stripped from churches; from the estates of private collectors whose artworks were seized by the Soviets; from Germany, for the return of art removed to Russia after World War II, and even from the Russian government, which might be tempted to sell off state-owned masterpieces for hard currency. The threat Piotrovsky seems to take the most seriously is the church.

In a recent interview, he appeared reasonably confident that lobbying with the former Russian parliament and President Boris N. Yeltsin had successfully defused claims from the republics. The problem arose when Yeltsin signed a treaty under which all former Soviet republics, including Russia, were assured the right to reclaim "their" artworks.

"The old parliament refused to recognize the treaty," Piotrovsky said. "A museum is a monument, and you can't just take things from it any time you wish. History is history." He added that in the 1920s and '30s, the Soviets dispersed art from St. Petersburg and Moscow to provincial museums, and that now the Hermitage was working closely with officials in Ukraine and other former Soviet states to compile lists of art already sent there. "We have good relations with Ukraine," Piotrovsky said. "Often works they have requested were already sent to them, and were stolen or destroyed in the war."

HE added that a Yeltsin decree designating major Russian museum collections as state property that could not be given away or privatized was a needed counterweight to any claims by the republics. "It's a legal basis for us, and very important," he said. "We now consider the treaty nonexistent."

The same decree helps protect against other threats. The estates of Russian collectors received a setback, he said, when a French court ruled that the former owners of the Hermitage's Matisse holdings could sue for their recovery only under Russian jurisdiction. So far, he added, they have not done so.

"I don't think they will," he said. "They were just trying to see if they could get anywhere. But we are working closely with many such families, presenting exhibitions in their honor."

With artworks taken from Germany, the issues are different. Piotrovsky is a member of a Russian-German commission that is compiling lists of German art still in Russian hands. But he said that artworks would not be returned automatically. "We need some kind of restitution," he said, "some compensation for our own losses. What was a sin was not taking them, but that they were not shown here."

There is an unfortunate precedent for the Russian government's selling off national treasures for cash, as the Bolsheviks did in the 1920s. Yeltsin's decree officially prevents that, but Piotrovsky wants to make sure no bureaucrat in Moscow gets a bright idea. "We have it in our history," he said. "We are doing everything we can to prevent people from even thinking about it." He added that offers from Western collectors and museums still regularly cross his desk. "Now, everybody knows I am saying no," he said. "I do so in different ways, depending on how I'm asked; sometimes, it's rather crude."

As for the Russian Orthodox Church, the problem is conflicting Yeltsin decrees: the one proclaiming the inviolability of museum collections, another assuring the church that its looted icons will be returned.

"The threat from the church is greater than from the republics," Piotrovsky said. "We are trying to work out short-term loans for special occasions. In Russian church history, when an icon was old, it was thrown out and replaced by a good copy or a new one. When it was replaced, it was no longer holy, and could then be admired in a museum as art. In churches, visitors are often unwelcome. We want these icons to be seen by all of mankind."

Alistair McAlpine, with some of his small treasures.

Another World of Collecting

SOUREN MELIKIAN

International Herald Tribune

LONDON — As James Rylands brought down his hammer last week on the last of the 614 lots sold at Sotheby's under the title "A Cabinet of Curiosities: the Property of The Lord McAlpine of West Green," a page was turned in the history of Western culture.

Alistair McAlpine, the renowned dealer in antiquities, was bidding farewell to the hosts of small objects he had always been selling alongside more spectacular and expensive works. The latter will now exclusively command his attention.

The neolithic stone axes, the Anglo-Saxon urns of burnished brown earthenware, the small bronze figures cast around 700 B. C. in southern Italy, the dozens of objects from much further afield, in Ethiopia, India or the South Seas, were not really the stuff of which "Cabinets of Curiosities" were made.

Most were of a more modest caliber. But they were of the kind collected down to the 1960s by generations of Europeans whose attitude to art was molded on the same pattern: an attraction to the object for its own sake.

They always were in a minority among those to whom art meant nice paintings on the wall and 18th-century porcelain and silver in the dining room. But their role was considerable. The preface to the catalogue notes that 16th-century cabinets of curiosities are ultimately the source to which the origins of present-day museums can be traced. Its writer, the art-historian John Harris, then makes the point that in later centuries hundreds of miscellaneous collections were similarly formed in British country houses.

EVEN more important, however, were their successors, the thousands of private collections of objets d'art of every description amassed for pleasure, by people who never saw themselves as building up cabinets of curiosities.

They would have scoffed at the idea. This was not an age much given to art historical discourse. You lived with your objects, but you did not talk about them other than to fellow collectors, to brag about your latest find. Things were that way in the 19th century as literature shows — in Balzac's "Le Cousin Pons," the Goncourt brothers' diary, and countless passing references — and continued into the early 1960s when changes began to set in.

It all resulted in a drastically different artistic environment from what it has become, both in terms of visual surroundings and personal relationships. This very private world was in many ways more "democratic" than it is today. Art was abundant because it kept being recycled in the same places, instead of being scattered worldwide, sucked into mushrooming museums, and transformed into status symbols. Therefore, it was incomparably cheaper as well as more instantly available. Collectors could come from the most modest backgrounds, and often did.

Great dealers in the field of objects were approachable. Most of them did not automatically classify those walking into their shops — no one said "gallery" in those unpretentious days — between "important" i.e. visibly wealthy, and unimportant visitors. Not did they treat inexpensive art as unimportant. A collector was a collector, and art was art.

A photograph in Sotheby's catalogue shows McAlpine in a corduroy suit, hair tousled, with a laugh in his eyes as on his lips, as he stands with his back against the shelves where a bronze cross called "Byzantine" in the catalogue stands underneath a Peruvian silver pitcher probably dating from the 18th century.

The casual attitude of one intimately at home with his objects is typical. The diversity of the objects is equally revealing of a curiosity of the mind. Many present-day professionals or art buyers would call it flea market bric-a-brac. There was actually greater aesthetic consistency than meets the uninformed eye.

The Peruvian pitcher goes back to the Renaissance, via its Spanish interpretation, and beyond harks back to antiquity. It did not clash in a gathering of objets d'art that included

A renowned dealer sells off objets d'art collected over several decades.

many works that the French refer to as "Haute Epoque," literally "early period," meaning pre-classical Louis XIV, austere and unadorned. But the pitcher was unusual, fascinating even, with its shape borrowed from Europe, its curious vertical grooves misinterpreted by an artist unfamiliar with European-style ribbing, and its craftsmanship betraying the Andean Indian fashion of hammering silver into shape.

The cross was unusual too. It is not Byzantine, as Sotheby's catalogue says. It is typically Armenian with its wider axis ending with clusters of three hollowed-out disks that once had precious or semi-precious stone insets — medievalists call the type a "botonée cross" — and probably dates from the 10th or 11th century.

In the event, the two objects did not fetch a vast amount. The Armenian bronze cross went for £828 (about $1,225) and the Peruvian silver pitcher with vertical grooves for £977.50. Another Peruvian pitcher with a snake handle, again curiously echoing a European Renaissance idea borrowed from Roman Antiquity, made £509. In 1960, all three would have sold well under £10.

Hundreds of other objects in the sale were clearly bought by McAlpine out of consideration for the object, not for the staggering profit it would bring. They spoke of a fascination with early transitional periods, with communities, anywhere in the world, straddling different, even opposing cultures, and with the divergent routes taken by art forms born of a common stock. The dealer must have relished having on his shelves an ovoid earthen jar turned by an Egyptian potter around 3200 B. C (it sold at Sotheby's for £483) and a 14th-century jar from the Djenne culture in Mali colored in the same way with a thin red slip, almost of the same shade (sold for £103.50).

He was much taken with the pottery of Celtic craftsmen all over Europe, as well as its later developments when new occupants had arrived, such as the Saxons mingling with the Angles in Britain. Only someone with an attentive eye would stop to look at the pot, broken and mended, from Choisy-le-Roi in the Marne department northeast of Paris, with a fine shape and zigzag decoration, which sold last week for £161. Not far away one could see the so-called Romano-British version of the art in a vase with the same burnish and zigzag pattern. Intact and finer, it rose to £391.

The same close attention led McAlpine to buy scores of bronze jewels ranging from prehistoric Europe to the Germanic invasions. There were bracelets, small rings, fibulae, the whole lot of them. With equal ease, he occasionally switched to Medieval Europe. The lover of "curiosities" must have been intrigued by a cast brass figure of Saint Christopher carrying the infant Jesus on his shoulder from 15th-century Flanders — more often seen on Flemish panels. Another lover of curiosities got it on Feb. 17 for £1,207.

But his curiosity must have been aroused to a greater extent by an Indian figure of a woman holding up an orb topped by a cross. Sotheby's cataloguer was so totally nonplussed that he called it a "princely figure" and entered it as a part of a job lot of "six miscellaneous carvings," noncommittally characterized as "mostly India, 19th century." The figure looks remarkably like a chess piece (it stands on a typical circular base) and, to be precise, like the queen in a chess set obviously made for the English. What is unusual is that it is splendidly carved with a delightful humor that must have appealed to McAlpine.

TO look at such a wide range of objets d'art with a roving eye free of prejudice was typical of an age when precedence was given to the visual over the conceptual. Surrounded by objects, exposed to many more on a daily basis in shops, at auction and in their cronies' houses, dealers and collectors learned from the objects and only secondarily from books. There was frequent haziness or inaccuracy of historical detail in descriptions, but greater visual sharpness in the aesthetic apprehension and in determining authenticity.

The museum scene reflected this. On the whole, the preceding generations of curators bought marvelously well, for beauty's sake, not to fill in gaps. They were collectors, operating on behalf of the public, more than specialists busy writing heavily footnoted articles for learned journals. Museum labels did not read like excerpts from a compressed doctoral dissertation. They were short.

So were auction catalogue entries — very much in the style of the Colonnade auction that McAlpine chose for bowing out of the trade in miscellaneous antiquities. There was much less pomp and great fun. Those officially involved in art often knew what they were looking at, even if they did not know what they were talking about. Now, it increasingly tends to be the other way around.

Parliament Votes to Let Christo Wrap Reichstag

By Steven Kinzer
New York Times Service

BERLIN — The German parliament gave the conceptual artist Christo permission to wrap Germany's best-known building, the Reichstag in Berlin, with a million square feet (about 93,000 square meters) of synthetic silver fiber.

The project, which Christo plans to realize next year, will be one of the most extraordinary and monumental in modern art history.

By wrapping and unwrapping the building, the artist seeks to portray the end of an era in world history and the beginning of another.

Christo has worked for more than 20 years to win approval for the project. It came after an emotional debate that touched on deeply sensitive issues of German history and the dignity of the Reichstag, parliament's once and future home.

"This building has a unique historical meaning," a member of parliament who opposed Christo's project, Burkhard Hirsch, asserted in a speech Friday. "It is not for wrapping or packing."

But a legislator who supported the project, Ulrich Briefs, said it would be "a spectacular statement against German nationalism and narrow-mindedness."

Christo, the 58-year-old Bulgarian-born artist who has won fame for massive outdoor projects around the world, has said it will take at least a year for workers to prepare the fabric and cables needed to wrap the Reichstag. He plans to wrap it for two weeks during April or May of 1995.

Friday's vote, 292 in favor and 223 against, was not as close as had been expected. The surprising level of support, which crossed party lines, was due largely to Christo's intense lobbying in Bonn over the last two years.

Jubilant after winning the vote, Christo, whose full name is Christo Javacheff, called his victory "a demonstration of the power, magnitude and fortitude of the project."

Asked if such a historic edifice could legitimately be tranformed into an artwork, Christo replied, "Everything in the world can be a subject of a work of art; everything from the humble flower to the image of Jesus Christ and God."

Political and business leaders in Berlin strongly support the project. They estimate that it will inject more than $300 million into the local economy, and predict that during the two weeks when the Reichstag is wrapped, the city will be packed with hundreds of thousands of visitors from around the world.

Under Christo's plan, industrial-strength fabric is to be cut and sewn by about 200 specialists at plants in eastern Germany. Four hundred workers, led by experienced mountain climbers, will take four days to mount the fabric and secure it with 25 miles (40 kilometers) of rope and cable.

Christo has promised to bear all the costs himself, financing the project through the sale of drawings, photographs and other memorabilia.

Michael Urban/Reuters

Christo jubilant, after vote.

The Reichstag was built in 1894 when Germany was still a monarchy, and it was from a second-floor window there that the German republic was proclaimed in 1918.

In 1933, the building was gutted in a mysterious fire that Chancellor Adolf Hitler used as an excuse to impose emergency rule and arrest tens of thousands of his opponents. Twelve years later, Soviet soldiers hoisted a hammer-and-sickle banner over the building's ruins in an act that symbolized the destruction of the Nazi dictatorship.

For years afterward, the Reichstag remained an empty shell. The Berlin Wall, which was erected in 1961, ran just behind the eastern facade.

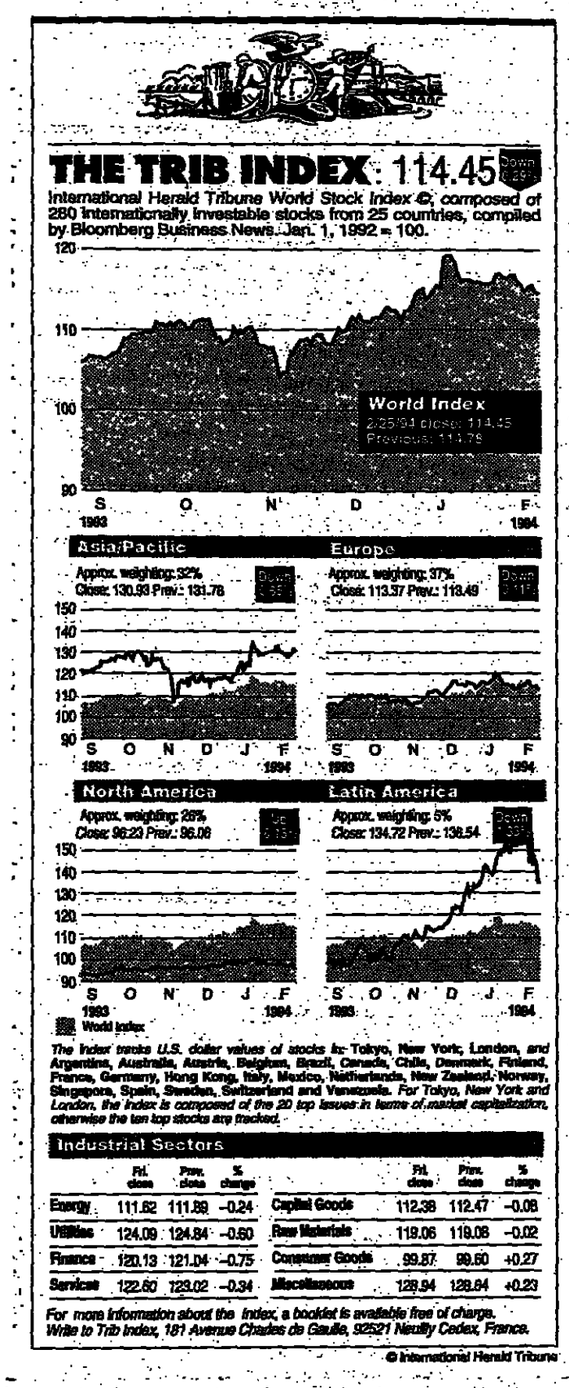
On the night of Oct. 2-3, 1990, hundreds of thousands of ecstatic Germans gathered in front of the Reichstag to celebrate the unification of their country. Parliament later voted to return from Bonn to its traditional home in Berlin. It has already held several sessions in the Reichstag, and is expected to move there permanently in 1998.

Although Chancellor Helmut Kohl did not speak, his closest parliamentary ally, Wolfgang Schäuble, delivered the principal address against Christo's proposal.

"I have great respect for Christo's works and achievements," Schäuble said. "His art seems to me to have great aesthetic value, and it teaches us to see things in new ways. I have been impressed by his works, such as the islands in Florida that he surrounded with pink fabric, the umbrella landscape he erected in Japan and California, the giant fence he built across Colorado, and most recently his wrapping of the Pont-Neuf in Paris.

"But my dear colleagues, the Reichstag is not the Pont-Neuf. The Reichstag is a major political symbol, a symbol that like no other represents the heights and depths of our history."

هكذا من الأصل



Europe's Bond Fall Deepens

Turmoil Presses Stocks as Well

Compiled by Our Staff From Dispatches

FRANKFURT — German and French government bond futures plunged in heavy trading on Friday as the European sell-off in bonds steepened.

Although U.S. markets were relatively calm and there were no new major factors moving the market in Europe, dealers said that investors and traders were attempting to flee the market.

Asian markets worried by shifting U.S. interest rates. Page 13.

The market was unsettled in particular by concerns that data on Germany's money supply for January would show worrisome growth and prompt an increase in rates.

"We heard the same rumors today as we heard all week — German M-3 will be terrible in January, the Bundesbank won't cut rates again in the near term and the political situation in Russia is still unstable," a Frankfurt dealer said.

Some analysts predicted the money-supply data for January, scheduled to appear early next week, expanding at a rate of 10 percent to 12 percent on an annualized, seasonally adjusted basis. The rate calculated for December was 8.1 percent.

Some dealers said that the market psychology is so bearish the market is unlikely to turn around next week even if the current sell-off wave abates.

"The market is just taking a break before the next downturn," said Torsten Boehler, a bond analyst at UBS in London.

French bonds were sold off as domestic and foreign investors continued to dump bond futures in order to hedge against further losses, traders said.

The 10-year French bond futures contract closed 90 basis points lower on Friday at 126.04 on volume of about 328,000 contracts. For the

See BONDS, Page 10

Kiwi Finds Glide Path

Workers Taking Ownership Seriously

By Adam Bryant
New York Times Service

NEWARK, New Jersey — At Kiwi International Air Lines, good help is easy to find. Flight attendants volunteer for top-to-bottom cabin cleaning of new Kiwi jets. Pilots pick up trash under seats between flights and mechanics drop in on travel agents for a little schmoozing.

This esprit de corps is not just altruism: Every Kiwi worker invested $5,000 to $50,000 in the airline to help get it started 17 months ago.

Because Kiwi's entrepreneurial culture contrasts so sharply with the rigid work rules that govern most airlines, the start-up carrier is one of the best examples of how employee ownership can dissolve the us-versus-them mentality of labor-management relations through much of corporate America.

Many corporations are trying to copy the success of Kiwi and other employee-owned companies in aligning the goals of workers and managers.

The number of U.S. companies in which workers own a stake has dramatically risen since the 1970s, to about 10,000, with roughly 11 million employees at companies of all sizes taking part in stock ownership plans.

But in only a quarter of these companies do workers own a majority of the stock, as they do at Kiwi.

The government and many analysts say employee ownership could be especially effective in the airline industry, where labor-management problems are especially deep-rooted.

The industry, having lost more than $11 billion since 1990, is grasping for ways to be profitable again while offering low fares. Many airline executives see high labor costs as a barrier to reaching that goal, and consider employee ownership, where workers often trade lower pay for a stake in their company, as a promising solution.

Trans World Airlines and Northwest Airlines have embraced employee ownership in the past year and United Airlines is considering the possibility, but it is Kiwi that is leading the trend.

"Kiwi is an ongoing success story in an otherwise bleak airline industry," said Kenneth P. Quinn, an aviation lawyer and former Federal Aviation Administration chief counsel, who has flown on Kiwi. "Employee ownership is going to be the wave of the future for the next decade."

Labor specialists said far more was needed for employee ownership to work than an accounting change that puts stock into workers' hands. At Kiwi, there is a cultural difference — one that stems not just from employees' owning 75 percent of the company, but because almost every employee shares the experience of having lost a job at another airline.

Robert W. Iverson, the president of Kiwi, lost his pilot's job after 18 years with Eastern Airlines. The head of maintenance was a 32-year veteran of Pan American World Airways, and at least one ticket agent worked for Midway Airlines from the day it started in 1979 to its final flight in 1991.

As a constant reminder of their shared past, the workers named their new airline after the flightless New Zealand bird.

"We always knew there was a better way to do it," Mr. Iverson said. "But nobody ever let it happen."

With 200 employees and two jets, Kiwi sent aloft its first flight, from Newark to Atlanta, at 6 a.m. on Sept. 21, 1992.

Kiwi now has 30 flights a day among seven cities: the Florida cities of Tampa, Orlando and West Palm Beach, along with Newark, Chicago, Atlanta and San Juan, Puerto Rico.

The Kiwis, as they call themselves, knew that their airline's name, painted on their planes in teal

See KIWI, Page 10

EU Expected To Ask Japan to Cut Auto Sales

By Steven Brull
International Herald Tribune

TOKYO — With an outlook for flat car sales in 1994, the European Union is likely to ask Tokyo to trim automobile exports to Europe and inflict further pain on an industry squeezed by the strong yen and trade demands.

"Nobody is optimistic," Guy Crauser, an EU official, said Friday at the conclusion of two days of talks to assess market demand and set a ceiling for Japanese auto exports.

"We think, and the Japanese side thinks also, that the reduction of the market has bottomed out, but there will be no real increase."

Both sides hope to reach a common market forecast quickly, possibly as soon as the next meeting in mid-March. An early agreement would help companies make adjustments to production and distribution systems that extend over continents and can take months to complete, he said.

Mr. Crauser said Brussels foresaw a no-growth scenario, while Tokyo held out hope for a slight increase. But in either event, exports of Japanese cars to Europe are likely to decline slightly this year, although overall Japanese market share in Europe could rise if production at "transplants" rise.

In 1993, Japanese exports were slashed by 18.5 percent to 980,000 units, based on the accurate estimate that demand in Europe would fall by 15.9 percent.

The process of agreeing to a forecast of European auto demand and setting a ceiling on Japanese exports was established by a 1991 accord that bought time for the European auto industry to make itself more efficient before facing unbridled competition in 1999. Once a consensus is reached, bureaucrats in Tokyo give "administrative guidance" to Japanese automakers on appropriate export levels.

Officially, the accord does not take production at Japanese transplants in Europe into account. But last year's deal, which saw Japanese exports decline more sharply than overall demand, was tacit acknowledgment that both sides factored increases in transplant production into their decision.

Similar calculations are likely this year. But it is far from clear that an agreement to trim exports further would make much difference. The surge of the yen has made Japanese cars more expensive abroad at a time when recession and unemployment in Europe are making consumers more cost-conscious. In January, Japanese exports of cars and light commercial vehicles to Europe plunged 37.8 percent to 128,000 units. That was worse than the overall decline of 26.5 percent to 390,418 units.

Honda Motor Co., Nissan Motor Co. and Toyota Motor Corp. have assembly plants in Britain that give the companies an ability to boost production while insulating themselves from much of the impact of the yen's appreciation. But Mitsubishi Motors Corp. and Mazda Motor Corp. have yet to set up European plants. The broader Japanese industry will be pinched by the export decline because Europe is the industry's second-biggest export destination and among the most lucrative.

On Friday, the industry, which produces two-thirds of Japan's contentious $60 billion trade surplus with Washington, was urged by Trade Minister Hiroshi Kumagai to take so-called voluntary measures to help the U.S. industry sell more in Japan.

"The U.S. side is not hiding its strong frustration and dissatisfaction," he said. "We should take this seriously."

Early next week, major automakers are expected to begin drawing up plans for expanding their purchases of parts from the United States. But while Nissan, Toyota and other major companies are expected to publicize their plans, second-tier companies remain reluctant to follow suit.

The Transport Ministry also announced plans on Friday to post staff permanently in Detroit to facilitate inspection procedures.

U.S. Talks Down Inflation

Compiled by Our Staff From Dispatches

FRANKFURT — Inflation appears to be "well under control" in the Group of Seven industrialized countries, a U.S. Treasury official said Friday in an effort to sooth nervous financial markets before G-7 finance officials meet Saturday.

The potential for short-term interest rates to be affected by the G-7 deliberations and for the confrontational atmosphere between the United States and Japan on trade issues to be enhanced weighed down the dollar Friday.

In New York, the dollar closed at 104.80 yen, down from 104.90 yen Thursday, and at 1.7110 Deutsche marks, compared with 1.7169 Thursday.

The Treasury official said the recent rise in global long-term interest rates was driven more by increased credit demand stemming

Japan plans market-opening measures. Page 13.

from faster economic growth than by rising inflation expectations. But he acknowledged that rising bond yields were something that needed to be monitored closely.

"It's certainly something we are watching very closely," he said. "My guess is that it reflects some kind of speculative correction."

The official declined to say if the G-7 would use Saturday's meeting to convey to financial markets that inflation was under control. But he noted the G-7 did not plan to issue a formal communique after the talks — a point stressed Thursday by U.S. Treasury Secretary Lloyd Bentsen.

Securities markets around the world have been under severe pressure in recent weeks, partly in response to a rise in U.S. short-term interest rates early this month — the first U.S. monetary tightening in five years.

Economists have been generally

See G-7, Page 10

ECONOMIC SCENE

France at War With Foreign Tongues

By Barry James
International Herald Tribune

PARIS — If the French government has its way, Ford Motor Co. will be in trouble if it continues to advertise that its cars come equipped with "air bags."

So will Walt Disney Co., McDonald's Corp., Coca-Cola Co. and a host of other American and British companies that include English words and phrases in their advertising.

The government this week introduced a parliamentary bill to make French obligatory and ban foreign expressions in virtually all business communications, including advertising messages.

Although most customers will probably go on talking about air bags, Ford will thus have to make sure to call the devices *coussins gonflables de protection*.

That is an extreme example. Elsewhere, Culture Minister Jacques Toubon is on firmer ground when he asks why perfectly good and descriptive French words are shouldered aside by English expressions that do nothing to clarify meaning.

Why, he asks, for example, should the train that one day will convey passengers under the English Channel be called Le Shuttle — a piece of franglais that sounds ugly on French tongues — rather than La Navette?

There is nothing new about the campaign to protect French against alien, particularly English, invasion. A major law in 1975 flanked by several decrees established the principle that with few exceptions French must be a language of science, technology and commerce, after having been regarded for centuries as the language of love and diplomacy.

The government set up a Commissariat for the French Language, which regularly issues a thick dictionary of officially accepted neologisms (it can be consulted via Minitel, the national teletex service). There is also a special ministry for relations with other French-speaking countries.

But as the Ford ad suggests — and examples like that can be found by the score — the law is widely ignored. So pervasive has the use of English become in science and technology that the Pasteur Institute in Paris decided amid protests in 1989 to publish its scientific annals in English. It said at the time that "95 percent of the original and

The government, long opposed to English phrases, wants to ban foreign words in business communications.

significant works in the biological disciplines are published in English, both abroad and in France."

The new government bill states that in any kind of business communication, "recourse to any foreign term or expression is prohibited so long as there is a French term or expression in the same sense."

With the exception of meetings that concern only foreigners, congresses and conferences may not held in France unless French is one of the official languages, the bill goes on.

French must be used exclusively in all forms audio or visual broadcasting, with the exception of movies shown in their original language with subtitles.

No person or society, the bill says, can set up a company in France that contains a foreign word or expression, unless they can prove that there is no way of expressing the concept in French.

Police and other agents of the state will be

See FRENCH, Page 13

U.S. Business Pleads for Looser Export Controls

By Lawrence Malkin
International Herald Tribune

NEW YORK — President Bill Clinton is asking Congress to approve a streamlined version of America's Cold War export controls that immediately drew angry criticism from business. High-technology companies said they would still be at a disadvantage against European and Japanese competitors operating under even-looser national controls or none at all.

The proposed legislation has been the subject of intense lobbying, which will continue more noisily on Capitol Hill, especially in the competitive field of telecommunications and computer software where U.S. exporters have an edge. It represented a balance among commercial, defense and diplomatic interests within the government and finally had to go to Mr. Clinton this week before being unveiled Thursday.

Resolving a dispute pitting the Commerce Department against the State and Defense departments, the president decided to seek power to withhold U.S. goods even if America's allies refuse to join it in punishing countries guilty of terrorism and human rights violations or in preventing the spread of nuclear or other advanced weapons technology to suspect regimes such as Iran and Iraq. Even so, the nuclear non-proliferation lobby found the proposed new law too weak.

Under the old law expiring this year, export bans for almost half a century were imposed mainly against the Soviet Union and Eastern Europe and handled by COCOM, the Coordinating Committee for Multilateral Export Controls based in Paris. It goes out of business at the end of March.

State Department officials acknowledged they had not obtained agreement on a multilateral forum operating under much more complex objectives to replace COCOM, even though they pressed hardest for presidential discretion to continue export bans when dictated by U.S. politics, morality, or security considerations such as the North Korean nuclear program.

They are trying to strengthen separate and often permeable international committees that now exist to deal with missile, chemical, bacteriological and nuclear technologies.

Without such a central committee and perhaps even with it, U.S. business fears it will be left high and dry by a flood of exports to suspect regimes from other countries or even its own subsidiaries abroad. Mr. Clinton tacitly acknowledged the extent of the problem Thursday by lifting restrictions on a wide range of computer exports valued by officials at up to $30 billion, as he had promised Silicon Valley companies last year he would do.

Supercomputers are the only significant category still subject to export licensing, and their potential use in designing nuclear weaponry underlines the problem of what is called "dual use," which can apply equally to simple chemicals and complex machinery.

Among those publicly seeking looser export controls were the U.S. Chamber of Commerce and the National Association of Manufacturers. Officials said lobbying by American Telephone & Telegraph Co. would probably weaken the government's hand in restricting the export of communications switchboards and software in whatever bill is passed.

Industry threw its weight behind rival legislation backed by Representative Toby Roth, Republican of Wisconsin, and Senator Patty Murray, Democrat of Washington, which would end all export controls except those affecting nuclear technology. But this is unlikely to get past a Congress whose members have as many of their individual foreign policy priorities as the administration.

Under the administration proposals, industry would find it easier to fight an export ban, controls would have to be reexamined periodically, officials could no longer sit on requests for licenses for more than 90 days, and inter-agency disputes would go before a committee chaired by the Commerce Department instead of the National Security Council.

In addition, in the words of the department, "cases may be escalated to the president if necessary," which virtually assures that high-profile political disputes land squarely in the president's lap.

CURRENCY & INTEREST RATES

Cross Rates

Feb. 25

	$	£	DM	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.915	2.8555	1.122	0.3382	0.0140*	—	5.452*	1.348	1.0285*	1.4015	1.328*
Brussels	35.14	52.45	20.583	6.209	2.5688*	18.348	—	24.748	18.878	25.59	23.369*
Frankfurt	1.708	2.5482	—	0.2962	0.1225*	0.8994	4.8728*	1.1971	1.0265*	1.3983	1.3271*
London (a)	1.4913	—	1.9525	0.5157	2.0192	1.5656	8.5265	2.1378	1.6125	2.1713	2.0125
Madrid	138.23	206.2	81.301	24.962	8.38*	72.514	395.48	97.173	83.142*	112.72	—
Milan	1,652.25	2,465.00	971.75	298.25	—	866.75	4,728.5	1,161.25	993.75	1,347.5	1,203.5
New York (b)	—	1.4685 n	1.711	0.51	1.696.00	1.322	7.21	1.7495	1.4968	1.7486	1.6153
Paris	5.8255	8.6965	3.4815	—	0.2464*	2.2024	12.045	4.8757	3.6965*	4.3293	4.1095*
Tokyo	142.88	213.27	83.79	20.81	8.525	164.49	1,000.75	121.32	—	177.92	170.59
Toronto	1.2402	1.8507	0.7277	0.2122	0.8689*	0.7137	4.3436*	0.9451	0.7297*	—	0.9217*
Zurich	1.4255	2.1272	0.8357	0.2454	0.1000*	0.8207	4.9937*	1.1555	0.8625*	1.1025	1.0000*
Italy	1,729.7	2,582.5	1,015.5	298.5	121.59	1,000.75	5,728.5	1,414.5	1,204.5	1,637.5	1,457.5
Madrid	1,187.5	1,772.5	696.5	204.5	83.5	686.5	3,933.5	970.5	826.5	1,124.5	1,000.5

Closings in Amsterdam, London, New York and Zurich. Quotes in other centers: Toronto noon; others p.m.
a: Dollar one pound; b: To buy one dollar. *: Units of 100; n.a.: not available; n.q.: not quoted.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9901	Greek drac.	248.78	Mex. peso	3.155	S. Afr. rand	3.472
Austral. $	1.3885	Hong Kong $	7.7325	N. Zealand $	1.7328	S. Kor. won	807.80
Austr. schil.	12.041	Hung. forint	104.38	Norw. krone	7.428	Swed. krone	7.986
Brazil. cruz.	414.20	Indon. rupiah	2144.52	Phil. peso	27.45	Taiwan $	26.49
Chinese yuan	8.6783	Indo. rupiah	2144.52	Polish zloty	27995	Thai baht	25.26
Czech koruna	29.95	Irish £	0.7024	Port. escudo	174.81	Turkish lira	18774.
Danish krone	6.709	Israeli shek.	2.954	Rus. ruble	1457.80	UAE dirham	3.67
Egypt. pound	3.3051	Kuwaiti dinar	0.2776	Saudi riyal	3.75	Venez. bolv.	131.30
Fin. markka	5.5361	Malay. ring.	2.723	Sing. $	1.585		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.4927	1.4786	1.4673	Canadian dollar	1.3471	1.3474	1.3477
Deutsche mark	1.7163	1.7170	1.7217	Japanese yen	103.74	104.63	104.47
Swiss franc	1.4332	1.4356	1.4386				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits

Feb. 25

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 month	3½-3⅜	6 1/16-5 15/16	4⅛-4 1/16	5⅞-5¾	6⅛-6 1/16	2 9/16-2 ½	6 9/16-6 ½
3 months	3⅝-3½	5⅞-5	4 9/16-4 ½	5⅞-5¾	6 1/16-6	2 9/16-2 ½	6 9/16-6 ½
6 months	3⅞-4	5 15/16-5¾	4-3 15/16	5⅞-5¾	5⅞-5¾	2 9/16-2 ½	6 9/16-6 ½
1 year	4 1/16-4	5 9/16-5 ½	3 15/16-4	5 9/16-5 ½	5 9/16-5 ½	2 9/16-2 ½	5 15/16-5 ¾

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev.
Discount rate	3.00	3.00
Prime rate	6.00	6.00
Federal funds	3¼	3 ½
3-month CDs	3.15	3.20
Comm. paper 30 days	3.05	3.00
3-month Treasury bill	3.36	3.36
1-year Treasury bill	3.83	4.01
3-year Treasury note	4.70	4.72
5-year Treasury note	5.63	5.64
7-year Treasury note	5.79	5.80
10-year Treasury note	6.19	6.21
30-year Treasury bond	6.71	6.74
Merrill Lynch 30-day Ready asset	n.a.	n.a.

Britain		
Base lending rate	5¼	5¼
Call money	5¼	5¼
1-month interbank	5 ½	5 ½
3-month interbank	5¼	5¼
6-month interbank	5¼	5¼
10-year Gilt	7.01	7.11

France		
Intervention rate	6.20	6.20
Call money	6½	6½
1-month interbank	6⅛	6 ½
3-month interbank	6⅛	6⅛
6-month interbank	6.00	5 ½
10-year OAT	6.24	6.13

Japan		
Discount rate	1¾	1¾
Call money	2½	2.19
1-month interbank	2 ⅛	2 ⅛
3-month interbank	2 ⅛	2 ⅛
6-month interbank	2 ⅛	2⅛
10-year Government bond	3.64	3.57

Germany		
Lombard rate	6¾	6¾
Call money	6⅛	6.15
1-month interbank	6.15	6.10
3-month interbank	6.05	5.95
6-month interbank	5.80	5.70
10-year Bund	6.17	6.07

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo, Commerzbank, Greenwell Montagu, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	377.50	379.20	+2.15
London	377.60	378.95	+2.25
New York	379.00	379.80	+2.20

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April)
Source: Reuters.

Bridgestone Corp. Earnings Down 53% for 1993

Agence France-Presse

TOKYO — Bridgestone Corp., the Japanese tire manufacturer, said Friday its consolidated pre-tax earnings plunged 53 percent from a year earlier to 37.3 billion yen ($352 million) for 1993.

The company also announced a management reshuffle, naming four new board members including Takao Amase, managing director of Bridgestone-Firestone Europe SA.

At the same time, five members of the current board are being dropped, company executives said.

Bridgestone's worldwide sales declined 8 percent during the year, to 1.60 trillion yen, with tire sales dropping 10 percent, to 1.19 trillion yen. Sales of chemical products, sporting goods and other items declined 3 percent, to 407 billion yen, the company said.

Domestic sales were down 9 percent, at 815 billion yen, while sales overseas fell 7 percent, to 784 billion yen.

MARKET DIARY

BONDS: *European Slide Deepens*

Continued from Page 9

week, the March contract was down 212 basis points.

In the cash markets, the French Treasury's 6.75 percent bonds of 2003 fell by 45 basis points, to 103.69 to yield 6.23 percent.

In Frankfurt's futures market, 10-year government bond, or Bund, futures for March delivery

N.Y. Stocks

on Liffe, the London International Financial Futures and Options Exchange, were quoted at 96.35 in late trading, 0.57 point lower than at the close on Thursday.

"People continue to sell futures because they think this correction has further to go," one Paris dealer said.

French dealers said they see little hope that the Bundesbank or the Bank of France would reverse the bearish trend with interest rate cuts and that the global bond sell-off would just have to run its course.

"Until the U.S. bond market stabilizes, markets in Europe will remain weak," a Paris dealer concluded.

The stock markets in both Frankfurt and Paris were pressed by the continuing bear market in bonds.

The DAX index closed official trading with a drop of 15.37 points, at 2,074.92, but up from the day's low of 2,065.53.

In Paris, the CAC-40 ended the day down 9.37 points, at 2,198.92.

In London, however, the FT-SE 100 shares index rose by 13.7 points, to 3,281.2 points.

Knight-Ridder, Reuters, AFP, Bloomberg)

■ Wall Street Holds Steady

U.S. stocks were little changed on Friday in spite of growing concern about long-term interest rates, reported Bloomberg Business News on Friday.

The Dow Jones industrial average slipped 1.12 points, to close at 3,838.78. Volume was calculated near 273.23 million shares, off from 341.62 million shares on Thursday.

"The higher interest rates go, the more likely it is that investors will move funds out of the stock market," said Robert Boyd, vice-president at Mercantile-Safe Deposit & Trust. The yield on the benchmark 30-year Treasury bond slipped to 6.71 percent from 6.74 percent on Thursday as the price rose 11/32 to 94 4/32.

Shares of cable television companies recovered from a slump that sent many of the stocks down as much as 10 percent on Thursday. The decline had been triggered by the collapse of the merger between Tele-Communications Inc. and Bell Atlantic Corp.

Tele-Communications Class A shares rose 1⅜ to 24, while Adelphia Communications rose ⅛ to 17⅜ and Cablevision Systems climbed ⅝ to 62⅛.

G-7: *Dollar Edgy Before Meeting*

Continued from Page 9

skeptical that the G-7 officials — from Britain, Canada, France, Germany, Italy, Japan and the United States — will come up with a tough enough statement to calm the markets.

Further instability has come from tensions in currency markets, especially the yen/dollar rate, after Washington and Tokyo failed to conclude a trade accord.

A Japanese official in Frankfurt said the G-7 agreed that rapid cur-

Foreign Exchange

rency fluctuations were undesirable and that currency levels should reflect economic fundamentals.

The increasingly bitter trade dispute between the U.S. and Japan threatens to overshadow other issues at Saturday's meeting.

Mr. Bentsen arrived in Frankfurt Friday and meets Japan's finance minister, Hirohisa Fujii, on Saturday before the G-7 talks.

The U.S. Treasury official said he expected Mr. Bentsen to focus on U.S. concern that Japan was not living up to its pledge of producing strong domestic demand for imported goods and a significant cut in its current account surplus.

But the U.S. official said he had received no indication that Mr. Fujii would be bringing any new proposals to his meeting with Mr. Bentsen.

Other factors weighing on the dollar include the Bundesbank's half-hearted reduction in interest rates on Feb. 17, when it cut its discount rate but failed to lower its more important money market interest rates.

That led to fears of a dispute over monetary policy between the United States and Germany. Similar tensions in 1987 were one trigger for the world stock market crash in October of that year.

Heading off any potential such dispute, Johann Wilhelm Gaddum, the vice president of the Bundesbank, was quick to claim that it was not Bundesbank policy moves that were driving up German short-term money market rates.

The overnight German money rate jumped to equal the 6.75 percent Lombard lending rate Friday, from a previous 6.10 percent.

"This development does not reflect any policy-steering on our part," Mr. Gaddum said.

Currency traders were able to shift their focus away from the G-7 expectations briefly Friday, bidding the dollar up off its lows slightly after a regional economic survey exceeded expectations.

The dollar slid to 1.4295 Swiss francs, from 1.4314, and to 5.8100 French francs, from 5.8330. The pound strengthened to $1.4885 from $1.4850.

Via Associated Press Feb. 25

IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
BritPt	47180	64⅞	64⅜	64⅞	+⅜
TelMex	44661	69½	67⅞	68⅝	+⅛
RJR Nab	39188	7⅛	6⅞	7⅛	+⅛
Syntex	38822	15	13⅝	14¼	+1
FordM	27630	62⅞	61	61½	—1
BlockE	26024	26¼	25⅝	26	+½
Chrysir	25151	57⅛	55⅝	56⅝	—½
USWst	23565	40⅝	39¾	40½	+1⅛
Merck	23474	32½	31⅞	32¼	+⅜
GnMotr	23149	59½	57¾	58½	—¾
AmExp	22367	29¾	29	29⅜	—
EKodak	20224	42½	41½	42⅜	+⅞
TimeWa	18621	38¼	37⅜	37⅞	+⅛
HmeDp s	18345	41⅞	40⅝	41⅛	—⅛
MerLyn s	18288	40⅞	39⅞	40⅛	+⅛

NASDAQ Most Actives

	Vol.	High	Low	Last	Chg.
TelCmA	68942	23⅞	23¼	23⅞	+1½
Novell s	45892	25⅜	24⅜	25⅜	+1
MCI s	33631	26⅝	25⅝	26½	+⅜
Informix	26924	23½	21¼	23⅜	+2⅜
Cmc sp s	26800	19⅝	18⅝	19¼	+⅛
ConcHld	24092	13⅛	12½	13	—
Intel s	23429	68¼	67¼	68¼	+½
Sybase s	22560	46¼	42⅛	43½	—3
AppleC	21120	37¼	35½	36	—⅜
PricCst s	20529	20	18⅝	19⅝	+⅜
viAWAirl	19558	2¹³⁄₃₂	2⅛	2⅜	+⅛
Oracle s	19508	32⅜	31⅝	32⅛	—⅛
DellCptr	19261	25⅜	24⅛	24⅛	—¾
GP Fnd	18612	20	19½	19⅞	+⅜
Ventritx	18221	30	26¾	29¼	+2⅛

NYSE Diary

	Close	Prev.
Advanced	1168	442
Declined	969	1795
Unchanged	621	546
Total issues	2758	2783
New Highs	47	38
New Lows	77	143

AMEX Diary

	Close	Prev.
Advanced	282	154
Declined	295	470
Unchanged	239	208
Total issues	816	832
New Highs	11	15
New Lows	14	18

NASDAQ Diary

	Close	Prev.
Advanced	1604	1087
Declined	1385	2045
Unchanged	1814	1673
Total issues	4803	4805
New Highs	90	80
New Lows	61	92

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3850.88	3855.38	3826.39	3838.78	—1.12
Trans	1766.39	1770.04	1759.22	1762.09	—1.11
Util	207.82	209.14	207.29	208.41	+1.12
Comp	1383.08	1384.86	1376.90	1380.13	+0.45

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	546.13	543.74	545.38	+1.59
Transp.	427.02	424.13	426.57	+1.92
Utilities	162.24	160.78	161.76	+0.98
Finance	43.99	43.56	43.92	+0.36
SP 500	466.48	464.26	466.07	+1.81
SP 100	434.15	432.07	433.32	+0.98

NYSE Indexes

	High	Low	Last	Chg.
Composite	258.80	257.75	258.57	+0.82
Industrials	319.35	318.10	318.94	+0.80
Transp.	269.83	268.22	269.64	+1.26
Utility	216.95	215.60	216.69	+1.09
Finance	213.81	212.69	213.63	+0.94

NASDAQ Indexes

	High	Low	Last	Chg.
Composite	783.38	780.50	783.38	+3.94
Industrials	825.19	822.01	825.08	+3.07
Banks	688.59	686.14	686.90	—1.75
Insurance	924.25	920.49	921.98	—2.16
Finance	885.60	882.50	885.60	+4.06
Transp.	791.54	787.06	791.54	+0.92
Telecom	171.75	170.07	171.75	+3.47

AMEX Stock Index

High	Low	Last	Chg.
467.47	465.47	467.45	+1.87

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	103.88	+0.14
10 Utilities	102.09	+0.11
10 Industrials	105.68	+0.17

Market Sales

NYSE 4 p.m. volume	273,220,000
NYSE prev. cons. close	410,919,230
Amex 4 p.m. volume	16,230,000
Amex prev. cons. close	21,247,000
NASDAQ 4 p.m. volume	251,680,000
NASDAQ prev. 4 p.m. volume	348,950,900

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
Feb. 24	945,258	1,932,196	169,650
Feb. 23	961,544	1,610,752	41,653
Feb. 22	1,017,926	1,494,855	14,801
Feb. 18	1,046,676	1,729,118	37,299
Feb. 17	1,070,182	1,599,979	20,772

*Included in the sales figures.

S&P 100 Index Options

Feb. 25

Strike Price	Calls-Last Mar	Apr	May	Jun	Puts-Last Mar	Apr	May	Jun
380	—	—	—	—	⅛	⅝	—	—
385	—	—	—	—	⅛	1	—	—
390	—	—	—	—	⅜	1¼	—	—
395	—	—	—	—	½	1⅝	2⅝	—
400	—	37½	—	—	¾	1⅞	2⅝	4½
405	—	—	—	—	⅞	2⅛	4	—
410	—	27⅝	—	—	1⅜	3	5	6
415	27⅝	—	—	—	1⅞	3⅝	4⅞	—
420	15⅝	18⅝	20⅝	24	2⅜	4⅝	6⅞	9
425	11	13½	17	—	3⅛	5⅝	8½	—
430	7⅝	10¼	12⅝	—	4½	7⅝	9⅝	10½
435	4	7	10	—	6⅝	9⅛	10⅝	—
440	2	4⅝	7	9⅝	9⅝	12	14⅝	14½
445	⅝	2⅝	5⅝	—	13¼	15⅝	17	—
450	⅜	1½	3⅝	5⅝	18⅝	19½	19½	21
455	⅛	⅝	2⅝	—	28½	—	22⅝	—
460	⅛	⅜	1⅛	—	—	26⅝	27	—
465	⅛	¼	⅜	—	—	—	—	—

Calls: total vol. 153,676; total open int. 385,941
Puts: total vol. 282,497; total open int. 478,204

Price	Dec 94	Dec 95	Dec 96	Dec 94	Dec 95	Dec 96
32½	—	—	—	⅛	—	—
35	—	—	—	⅜	—	—
37½	—	—	—	⅝	—	—
40	—	—	—	1¼	—	2⅛
42½	—	—	—	1⅞	—	—
45	1⅞	—	—	3⅛	—	4½
47½	⅝	1⅝	—	—	—	—

Calls: total vol. 612; total open int. 23,996
Puts: total vol. 3,425; total open int. 168,326

Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
COCOA (LCE) Sterling per metric ton-lots of 10 tons						
Mar	901	903	915	898	903	904
May	926	927	937	923	925	926
Jul	936	938	946	933	934	936
Sep	950	950	957	946	946	947

Est. volume: n.a.

	Close		High	Low	Prev. Close	
COFFEE (LCE) Dollars per metric ton-lots of 5 tons						
Mar	1,217	1,218	1,220	1,214	1,215	1,216
May	1,234	1,235	1,235	1,220	1,228	1,229
Jul	1,232	1,234	1,235	1,227	1,229	1,230
Sep	1,232	1,234	1,234	1,227	1,228	1,230
Nov	1,233	1,237	1,236	1,231	1,232	1,233

Est. volume: n.a.

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
May	321.50	318.00	320.50	321.50	Unch.
Aug	318.00	314.50	317.00	319.00	— 1.00
Oct	297.00	N.T.	299.00	301.00	— 0.80
Dec	N.T.	N.T.	295.00	298.50	— 0.70
Mar	N.T.	N.T.	295.00	298.00	— 1.00
May	N.T.	N.T.	297.00	300.00	+ 0.50

Est. volume: 786. Open Int.: 11,832.

Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1292.00	1294.00	1292.00	1293.00
Forward	1314.00	1315.00	1314.00	1315.00
COPPER CATHODES (High Grade) Dollars per metric ton				
Spot	1864.00	1865.00	1868.50	1869.50
Forward	1887.00	1888.00	1891.50	1892.00
LEAD Dollars per metric ton				
Spot	474.50	475.50	468.50	469.50
Forward	488.00	489.00	482.00	483.00
NICKEL Dollars per metric ton				
Spot	5860.00	5870.00	5895.00	5905.00
Forward	5920.00	5925.00	5950.00	5960.00
TIN Dollars per metric ton				
Spot	5470.00	5480.00	5475.00	5485.00
Forward	5490.00	5495.00	5495.00	5505.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	955.50	956.50	957.50	958.50
Forward	973.00	974.00	976.00	976.50

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Mar	94.82	94.77	94.79	— 0.01
Jun	94.87	94.78	94.83	+0.02
Sep	94.73	94.59	94.67	+0.01
Dec	94.58	94.44	94.53	+0.01
Mar	94.32	94.12	94.25	+0.01
Jun	94.00	93.80	93.94	+0.01
Sep	93.71	93.50	93.64	— 0.01
Dec	93.43	93.25	93.36	Unch.
Mar	93.13	92.99	93.10	— 0.02
Jun	92.95	92.76	92.88	Unch.

Est. volume: 98,035. Open Int.: 440,422.

	High	Low	Close	Change
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Mar	96.22	96.22	96.22	— 0.01
Jun	95.86	95.83	95.83	— 0.02
Sep	95.51	95.51	95.50	— 0.02
Dec	N.T.	N.T.	95.10	— 0.03
Mar	N.T.	N.T.	94.90	— 0.03
Jun	N.T.	N.T.	94.66	— 0.02
Sep	N.T.	N.T.	94.44	— 0.03

Est. volume: 174. Open Int.: 14,636.

	High	Low	Close	Change
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Mar	94.21	94.14	94.19	+0.01
Jun	94.63	94.53	94.60	— 0.01
Sep	94.84	94.72	94.81	Unch.
Dec	94.90	94.78	94.87	— 0.01
Mar	94.96	94.80	94.92	— 0.04
Jun	94.89	94.75	94.83	— 0.09
Sep	94.78	94.67	94.69	— 0.13
Dec	94.62	94.50	94.53	— 0.14
Mar	94.48	94.42	94.41	— 0.15
Jun	94.36	94.28	94.28	— 0.16

Est. volume: 267,048. Open Int.: 985,073.

	High	Low	Close	Change
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Mar	112-29	111-15	112-26	+0-22
Jun	112-02	110-20	112-01	+0-25
Sep	N.T.	N.T.	111-05	+0-25

Est. volume: 202,494. Open Int.: 176,243.

	High	Low	Close	Change
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Mar	96.73	96.00	96.29	— 0.63
Jun	96.45	95.90	96.00	— 0.65
Sep	96.23	96.08	95.88	— 0.68

Est. volume: 312,914. Open Int.: 256,127.

Stock Indexes

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Mar	141.50	139.00	139.75	139.50	+0.25
Apr	140.75	138.25	138.75	138.75	+0.25
May	140.25	137.75	138.25	138.25	Unch.
Jun	141.00	138.50	139.25	139.25	+0.50
Jul	142.75	140.50	141.25	141.25	+0.50
Aug	143.80	142.50	143.00	144.00	+0.75
Sep	145.25	145.00	145.00	145.75	+0.25
Oct	148.25	148.25	148.25	148.75	+0.25
Nov	151.50	150.75	150.75	150.75	Unch.
Dec	153.75	152.00	152.50	152.50	— 0.25
Jan	154.00	153.00	153.00	153.00	— 0.25

Est. volume: 12,524. Open Int. 118,622

	High	Low	Last	Settle	Ch'ge
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Apr	13.70	13.33	13.46	13.47	— 0.12
May	13.84	13.48	13.59	13.58	— 0.18
Jun	14.00	13.67	13.74	13.73	— 0.26
Jul	14.16	13.86	13.92	13.92	— 0.13
Aug	14.08	14.05	14.07	14.05	— 0.18
Sep	14.26	14.26	14.26	14.20	— 0.23
Oct	N.T.	N.T.	N.T.	14.48	— 0.14
Nov	N.T.	N.T.	N.T.	14.65	— 0.19
Dec	N.T.	N.T.	N.T.	14.85	— 0.10

Est. volume: 31,616. Open Int. 132,013

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Mar	3283.0	3225.0	3268.0	+22.0
Jun	3287.0	3248.0	3280.5	+21.5
Sep	3272.0	3272.0	3307.0	+21.0

Est. volume: 19,812. Open Int.: 74,969.

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.587	0.586
Coffee, Braz., lb	0.68	0.68
Copper electrolytic, lb	0.985	0.985
Iron FOB, ton	213.00	213.00
Lead, lb	0.34	0.34
Silver, troy oz	5.21	5.18
Steel (scrap), ton	133.33	133.33
Tin, lb	3.6463	3.6463
Zinc, lb	0.4559	0.4559

Dividends

Company	Per	Amt	Pay	Rec
IRREGULAR				
Horizon Bncp WV	-	.24	3-1	3-15
Trimac Ltd g	.15	3-15	3-31	
TriNet Corp Rlty	-	.58	3-9	4-15
STOCK				
West Fraser	-	10%	3-21	4-8
REVERSE STOCK SPLIT				
Emulex Corp 1 for 2 reverse.				
Generation 5 Tech 2 for 5 reverse.				
STOCK SPLIT				
Aldia Inc 2 for 1 split.				
Rank Organ PLC 5 for 4 split on ADR shares.				
INCREASED				
Firstbk Illinois	Q	.30	3-11	4-1
Freds Inc	Q	.05	3-7	3-15
Kaufman,HW Fin	-	.18	3-10	3-24
Miners Ntl Bncp	Q	.26	3-16	3-31
New Plan Realty	Q	.33	3-16	4-6
Pennsylvania P&L	Q	.4175	3-10	4-1
Piedmont Natural	Q	.26	3-25	4-15
CORRECTION				
Toastmaster Inc	x	.02	3-15	3-31
x-this declaration reported Feb 24th is an initial dividend not an extra payment.				
INITIAL				
Trident NGL	-	.0125	3-7	3-21
REGULAR				
ABS Indust	Q	.05	3-15	4-1
Am Maize A&B	Q	.16	3-9	3-23
Arbor Drugs	Q	.06	3-22	4-8
Baltimore Bncp	-	.05	3-15	3-29
Computer Lang	Q	.08	3-11	3-29
Cracker Barrel	Q	.005	3-11	3-25
Doughties Funds	Q	.04	3-14	4-14
Eastern Enterprise	Q	.35	3-7	4-1
Edwards, AG	Q	.14	3-11	4-1
Fst United Bncp	x	.07	1-31	3-25
Gen Physics	Q	.06	3-15	3-31
Guaranty Natl	Q	.125	3-10	3-31
Haverfield Corp	Q	.14	3-11	3-31
Hollinger Inc g		.10	5-27	6-10

x-expected pay date.

a-annual; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

U.S./AT THE CLOSE

America WestSeeks Three Saviors

PHOENIX, Arizona (AP) — America West Airlines said it wants a partnership of two other airlines and the country's largest mutual fund company to be the lead investor in its bankruptcy reorganization.

Continental and Mesa airlines and Boston-based Fidelity Investments agreed to pump $220 million into America West in exchange for 37.5 percent ownership of the airline.

The agreement with a group called AmWest Partners was reached after a 13-hour board meeting Thursday, a spokeswoman said.

Woolworth Sees Loss on Woolco Sale

NEW YORK (Bloomberg) — Woolworth Corp. said Friday it would report fourth-quarter and full-year losses because of larger-than-expected charges stemming from the proposed sale of its Woolco Canadian discount store division to Wal-Mart Stores Inc.

Woolworth said it expects to post a loss of $46 million for the quarter ended Jan. 29, compared with a profit of $165 million in the like quarter one year ago.

For the financial year, Woolworth expects to report a loss of $495 million, compared with a profit of $280 million in the prior year.

A.G. Edwards Expects Record Profits

ST. LOUIS, Missouri (Bloomberg) — The A.G. Edwards Inc. brokerage said Friday it expected dales in itsd 1994 year to top $1.2 billion and earnings to exceed $150 million, both records.

The company's 1994 financial year will end on Monday. The company earned $119.4 million, or $2.58 a share, in 1993 on revenue of $1.1 billion.

The St. Louis-based brokerage, the largest of its kind outside New York City in revenue and number of employees, also said its board authorized the repurchase of as many as 1.5 million shares of its common stock. A.G. Edwards has about 59.8 million shares outstanding.

Tenneco Chief Quits to Fight Illness

DALLAS (NYT) — Michael H. Walsh, who helped revive the fortunes of Tenneco Inc., has resigned as chairman and chief executive to devote himself to battling the effects of a brain tumor.

On Thursday the Tenneco board approved Mr. Walsh's choice of Dana G. Mead, the company's president, to succeed him as chief executive.

Since arriving at Tenneco in 1991, Mr. Walsh, now 51, reversed losses and pushed Tenneco into profitability with a large restructuring that included layoffs and other cost-cutting measures. He also slashed Tenneco's dividend in half.

Testing of GM Electric Car Delayed

LOS ANGELES (LAT) — Public testing of the General Motors Corp. Impact electric car has been set back two months or more by production problems, GM and Southern California Edison confirmed.

"When you get into manufacturing a vehicle, all kinds of things go wrong at volume," a spokeswoman for the company's electric car effort said Thursday. "We are experiencing at this point a shortage of some parts."

U.S. Firms Consider Corporate Code

NEW YORK (NYT) — Seven major U.S. multinational companies are considering support for a new code of corporate conduct being developed by South African churches.

The seven — Borden, Bristol-Myers Squibb, Colgate-Palmolive, Ingersoll-Rand, International Paper, Kimberly-Clark and Pfizer — all indicated a willingness to help the South Africans put the code into practice, according to the Interfaith Council on Corporate Responsibility, a New York-based organization that coordinates stockholder activities by church groups.

Cabot Buys Up More Gas Reserves

HOUSTON (Bloomberg) — A Cabot Oil & Gas Corp. subsidiary will acquire a Washington Energy Co. unit for $180 million in stock and assumed debt, creating one of the largest U.S. independent oil and gas concerns, the companies said Friday.

The purchase of Washington Energy Resources Co., a gas exploration and production unit, from Seattle-based Washington Energy Co. will give Cabot more than 1 trillion cubic feet (28 billion cubic meters) of proven gas reserves.

Westinghouse to Acquire Norden

NEW YORK (Knight-Ridder) — Westinghouse Electric Corp. said Friday it agreed to acquire Norden Systems Inc., the defense electronics unit of United Technologies Corp.

Terms and conditions of the agreement were not disclosed. The deal is expected to be completed in the second quarter.

Based in Norwalk, Connecticut, Norden Systems makes airborne and shipboard radar systems, air traffic control systems, and surveillance and intelligence management systems for underseas applications. It has about 1,600 employees.

KIWI: *Airline's Employee Ownership Plan is the Envy of Competitors*

Continued from Page 9

and purple, might create confusion.

It did, inviting questions about whether Kiwi served snacks of kiwi fruit (it does on most flights), and whether it planned to offer service to New Zealand (no).

To make sure that Kiwi was not just different cosmetically, Mr. Iverson decided to change some ways of running a carrier and let other things change on their own.

Everyone is encouraged, but not required, to do some volunteer work for the company. For pilots, that means flying extra trips without pay and helping clean up when the plane has to take off again shortly after it lands.

"We're all quality-control people," said Jack Gray, a Kiwi pilot.

The system is working. After starting with just two jets, the company has expanded to 740 workers and 10 jets, and it plans to get 10 more this year. The privately held company, which offers virtually unrestricted fares that match the cheapest restricted fares of competitors, says it has operated profitably in five of the past seven months.

The entrepreneurial spirit may be hard to maintain, particularly as the airline grows. Employees grumble about too little space, too few computers, and not enough secretaries.

A greater threat, Mr. Iverson said, is old habits and familiar ways of thinking about airline jobs.

WORLD STOCK MARKETS

Agence France Presse Feb. 25

U.S. FUTURES

Via Associated Press Feb. 25

هكذا من الأصل

Granada Wins Long Battle To Buy LWT

Compiled by Our Staff From Dispatches

LONDON — Granada Group PLC on Friday won control of LWT (Holdings) PLC, the independent television company that it has been pursuing since December, and said it was set to become a major force in the industry in Britain and overseas.

The hostile bid, worth about £760 million ($1 billion), had been a cliff-hanger, with LWT stoutly defending itself to the last, even when its biggest institutional shareholder sold on Thursday.

Granada said on Friday that it controlled 57.8 percent of LWT, giving it control.

Analysts said the Granada offer was so high few investors could justify turning down the bid.

"The question with the bid was not whether Granada was offering too little, but whether it was offering too much," said Anthony de Larrinaga, a media analyst with Panmure Gordon & Co. in London. "Shareholders will get a far better return on the cash from accepting the bid than holding on to LWT."

Granada's shares rose 3 pence to 564, while LWT closed 2 pence higher at 727.

"Obviously we're completely delighted," said Gerry Robinson, the chief executive of Granada. "It's been a long drawn-out process."

LWT, which holds the London weekend broadcast license on Britain's main commercial network, desperately urged shareholders to back its track record and warned that a Granada takeover would mean an 18 percent slump in dividend income.

But Granada, which broadcasts in the northwest of England, said a link-up would give it huge muscle in a market that has become increasingly competitive since Britain last year relaxed the rules on ownership of independent television licenses.

"In terms of advertising sales, we are now the largest" group, Mr. Robinson said.

The merged company will make about 40 percent of programs on the independent television network, known as ITV, and 10 percent of the entire British television market.

It will take about 22 percent of ITV's net advertising revenue, worth an annual £1.4 billion.

"We now look forward to the new, enlarged television division becoming a major force in the industry, not only in the U.K. but also overseas," said Alex Bernstein, the Granada chairman.

Granada, which also has computer, television-rental and leisure interests, said it had won 57.84 percent of LWT by the Friday deadline for acceptances.

(Reuters, Bloomberg)

Oil Executive Found Guilty In BCCI Case

The Associated Press

LONDON — A Pakistani oil executive was convicted by a jury on Friday of conspiracy to help BCCI to falsify its balance sheets but he and his lawyer persuaded the judge he was a "broken man" who should not have to go to prison.

Mohammed Abdul Baqi, 68, was told to pay 170,000 pounds ($251,000) in fines and prosecution costs.

Mr. Baqi, formerly managing director of London-based Attock Oil Co., was convicted of conspiring to provide bogus information to auditors. He told them his company owed $120 million to Bank of Credit & Commerce International, thus making BCCI look healthier than it really was. BCCI has since collapsed.

"He was a distinguished man led astray by others," his defense attorney, Stephen Solley, told the court.

Judge Neil Denison agreed that Mr. Baqi had not sought to enrich himself.

Italy Surrenders 2d Bank

Comit Likely to Be Popular Privatization

Bloomberg Business News

MILAN — What is the difference between Banca Commerciale Italiana and Credito Italiano SpA?

Not a huge amount, analysts say, and that is good news for investors.

"They are cousins, almost like brothers," said Sassoli De Bianchi, an analyst at Analitica S.r.l.

Banca Commerciale — known in Italy as Comit — is the latest state-owned bank offered to investors as part of the government's program to sell of state-owned assets. Credito was the first one to go on the block.

The 1.75 trillion-lira ($1 billion) sale of the state's 67 percent stake in Credito Italiano sold out in two days in December and was six times oversubscribed. The shares now trade at 30 percent above their issue price.

The government's 54 percent stake in Banca Commerciale is expected to command a similar reception when it goes on the block Monday.

"The people who missed out on a good little profit with Credito will have an added incentive not to miss out this time around," said Michael Ierubino, an analyst at Murchio SIM, a Milan brokerage. "There will be no problem with demand."

The only roadblock to strong demand would be a government push for higher prices this time around, given the success of the Credito Italiano sale and of last month's 2.18 trillion-lira sale of a 33 percent stake in Istituto Mobiliare Italiano SpA, an investment firm.

John Leonard, an analyst at Salomon Brothers Inc. in London, said he did not think the government would be too aggressive because it still has a slew of other companies to sell.

Credito was sold at a 9.6 percent discount to the market price of its shares. Albert Morillo, equities investment director at Scottish Widows Investment Management Ltd., in Edinburgh, said a discount of at least 5 percent to the market price would be "fair."

> **'There will be no problem with demand.'**
>
> **Michael Ierubino, an analyst at Murchio SIM**

Both banks are based in Milan, have strong retail presence around the country and strong corporate activities. In terms of traditional banking analysis, such as return on equity and nonperforming loans as a percentage of total loans, they are similar to each other and better than the national average.

"They will both do well if Italy does well, and they will both fare better than others if it doesn't," Mr. Leonard said.

There are some differences between the banks. For one, Banca Commerciale is bigger, with 134 trillion lire in loans outstanding, versus 106 trillion lire for Credito.

Banca Commerciale has a larger overseas presence than Credito. The successor of a bank founded with Austrian and German capital in Milan in 1894, Banca Commerciale was operating in South America by 1910, London by 1911 and New York by 1918.

Mr. De Bianchi said Banca Commerciale's larger international operations make it more prestigious.

Credito is seen as the bank for Italy's large companies. "Giovanni Agnelli is on the Credito board, not Comit's," said Mr. De Bianchi, referring to the patriarch of the family that controls carmaker Fiat SpA.

"There's no reason on a fundamental basis to buy one and not the other," Mr. Ierubino said.

Of the 540 million Banca Commerciale shares going on sale, 260 million will be sold in a public offering to Italian individuals, 60 million will be sold to Italian investment institutions, 50 million to U.S. institutions and 130 million to institutions elsewhere. Forty million shares will be sold to the bank's employees.

The government will put an additional 30 million shares at the disposal of Lehman Brothers, the sale's organizer, to satisfy extra demand.

UBS Lifts Payout as Profit Soars

Compiled by Our Staff From Dispatches

ZURICH — Union Bank of Switzerland, the country's largest bank, reported Friday that net profit surged 69 percent, to a record 2.27 billion Swiss francs ($2 billion), and it proposed a 10 percent increase in its dividends.

Robert Studer, the bank chairman, said that the bank had been buoyed by "favorable conditions in all important markets."

The bank said it planned to increased its dividend to 32 francs per bearer share in 1993, from 29 francs in 1992, and to 6.40 francs per registered share from 5.80 francs.

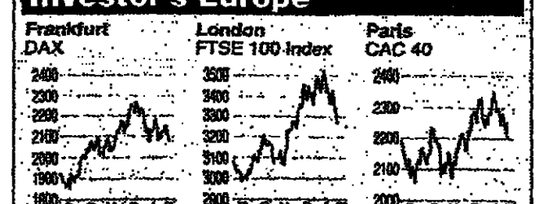
It also said it had invited shareholders to buy one new share for every 100 bearer or registered shares already held. Mr. Studer said this was not a capital increase, but a "special measure to acknowledge the extraordinary success of the last business year."

The bank said that the main boost to 1993 profit had come from trading income, which soared 74 percent, to 2.92 billion francs, due to strong securities markets. Operations in derivatives grew strongly, led by forward foreign-exchange transactions and swaps.

The growth in earnings last year was achieved in spite of a massive 2.23 billion francs set aside in provisions, up 22 percent from 1992. The bank suffered a surge in bad loans, particularly in the depressed Swiss real estate market.

(Bloomberg, Reuters)

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	415.64	418.31	-0.64
Brussels	Stock Index	7,590.36	7,672.44	-1.07
Frankfurt	DAX	2,074.82	2,090.29	-0.74
Frankfurt	FAZ	797.93	804.11	-0.77
Helsinki	HEX	1,870.00	1,872.94	-0.16
London	Financial Times 30	2,536.60	2,527.90	+0.34
London	FTSE 100	3,281.20	3,267.50	+0.42
Madrid	General Index	336.04	340.10	-1.19
Milan	MIB	1,038.00	1,057.00	-1.80
Paris	CAC 40	2,198.82	2,208.29	-0.42
Stockholm	Affaersvaerlden	1,781.87	1,785.63	-0.21
Vienna	Stock Index	490.76	492.33	-0.32
Zurich	SBS	1,023.03	1,028.50	-0.53

Sources: Reuters, AFP — International Herald Tribune

Very briefly:

- **Metallgesellschaft AG** said it sold a steelmaking unit, **Korf GmbH**, to **Laisa SA**, based in Montevideo, Uruguay.
- **BMW Rolls-Royce GmbH** said it was planning to supply engines for a new aircraft model being produced by **McDonnell Douglas Corp.**
- **Astra AB**, the Swedish pharmaceutical company, said it would list American depositary receipts in New York sometime in the fall.
- **The European Union** said that its average inflation rate rose to 3.4 percent in January from 3.3 percent in December.
- **France's** annual inflation rate fell to 1.9 percent in January from 2.1 percent in December and its statistics institute predicted that the rate could drop to 1.7 percent by June.
- **Deutsche Telekom, Bertelsmann AG** and **Kirch Gruppe** said they would form a pay-television joint venture for the German market.

Reuters, Knight-Ridder, Bloomberg, AFP, AP

Bundesbank Denies Steering Rates Up

Reuters

FRANKFURT — One day before financial leaders of the Group of Seven industrial countries meet near Frankfurt, the Bundesbank claimed it was not behind a recent sharp rise in German money market rates.

Johann Wilhelm Gaddum, the Bundesbank vice president, said that the rise in money market rates reflected the behavior of banks and had not been provoked by the German central bank.

"This development does not reflect any policy steering on our part," he said.

German call money rates, the rates charged for overnight cash, surged to 6.75 percent on Friday from 6.10 percent on Thursday as banks scrambled for cash to meet reserve requirements at the end of the month.

Mr. Gaddum said the Bundesbank did not intend to add liquidity to the money market to help banks with their cash needs at the end of the month.

Economists said they did not expect German monetary policy to be a major issue on the agenda at the G-7 meeting Saturday. Instead, a trade dispute between the United States and Japan is likely to dominate discussions.

But expectations that there would be no controversy over German interest-rate policy at the meeting has only developed since Germany cut its discount rate on Feb. 18, two weeks after the U.S. Federal Reserve Board tightened policy.

Earlier there had been suggestions that Germany's G-7 partners might take the Bundesbank to task for not lowering interest rates faster. Some saw the discount rate cut as an attempt to ward off such criticism.

Mr. Gaddum also said that a recent rise in long-term German interest rates on capital markets should not be "overdramatized."

Akzo Hit by One-Time Items

The Associated Press

AMSTERDAM — Akzo NV Friday announced that 1993 net profit, squeezed by extraordinary charges, fell 15 percent from a year earlier.

The company's 1993 net profit was 549 million guilders ($285 million) on sales of 16.51 billion guilders, compared with 1992 net profit of 646 million guilders on sales of 16.71 billion.

The company left its dividend unchanged at 6.50 guilders a share.

Financial data for 1994 will reflect the consolidated sales and earnings of Nobel Industries AB, whose takeover by Akzo took effect Friday. The company is to be called Akzo Nobel NV.

Akzo said its profit was dampened by 144 million guilders of extraordinary charges for book losses and restructuring costs.

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DREAMBOY

NANNIES & DOMESTICS

MONROE NANNIES INTERNATIONAL "The premier London Agency

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
		A								
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		E-F								
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		M-N								
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		O-P								
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		Q-R								
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(Continued on page 13)

U.S. Skeptical Of Japan Plans To Open Market

Reuters

TOKYO — Japan, hoping to avert a trade war with the United States, said Friday that it would draft a package of market-opening measures by the end of March. It may, however, have trouble convincing Washington.

"We are waiting to hear from your government what steps they propose to do," the U.S. ambassador to Japan, Walter F. Mondale, said in a luncheon speech hours after the cabinet met to discuss the market-opening package.

"I stand ready, our government stands ready, to work with Japan if proposals are made that will make a difference."

Prime Minister Morihiro Hosokawa and nine of his ministers in charge of economic, trade and foreign policies agreed at a special cabinet meeting on Friday to devise a plan.

They hope to present it by the end of March to the United States, which is poised to back up its trade demands with economic sanctions unless the two countries reach agreement in their so-called economic framework talks.

Japanese officials say the market-opening strategy is likely to include deregulation, import and investment promotion and improvement of government procurement procedures.

Washington is waiting to see whether Tokyo follows through with actions that produce results. "I'm more concerned about whether they come up with things that will really make a difference," Mr. Mondale said. "I'm a little skeptical."

Mr. Mondale also said he was unimpressed by suggestions that Japan might set a nonbinding goal to reduce its current-account surplus, a measure of trade that includes services, to 2.8 percent of its gross domestic product.

Mr. Mondale noted that such a voluntary target would be nothing more than a restatement of Japan's existing official forecast for the fiscal year from April 1.

Japan's current-account surplus is expected to have fallen to 3.1 percent in 1993/94 from 3.2 percent in 1992/93.

"That's their current estimate," Mr. Mondale said. "What we need is a highly significant reduction in the current-account surplus in the next four years."

Mr. Mondale echoed recent U.S. dissatisfaction with Japan's latest 15 trillion yen ($143 billion) stimulus package, which he said would do little to boost its economy or cut its surplus.

Japan's global current account surplus rose to a record $131.35 billion in calendar 1993.

Trade ties worsened after a Feb. 11 summit meeting between Mr. Hosokawa and President Bill Clinton failed to settle a dispute over how to open Japanese markets to U.S. companies and reduce Tokyo's nearly $60 billion trade surplus with Washington.

Fear of Fed Affects Asian Bourses

Expected Rise in U.S. Interest Rates Depresses Stocks

Bloomberg Business News

SINGAPORE — When interest rates go up, stock prices, as a rule, go down. So word out of Washington in recent weeks that U.S. interest rates are set to rise has had a punishing impact on many Asian stock markets this year.

On Thursday, U.S. stocks plunged after stronger-than-expected durable goods orders, up 3.7 percent last month, fueled inflation concern and speculation that the U.S. Federal Reserve Board would start to raise interest rates. Indeed, the Fed chairman, Alan Greenspan, told the U.S. Congress this week that short-term rates were more likely to rise than fall.

What Mr. Greenspan says is of great importance to Asian markets, because last year millions of American dollars poured into the region's stocks. If U.S. interest rates rise to really attractive levels, the fear is that American investors may shift some of their money back home.

In addition, investors are worried that local rates will head up as well. Combined, these fears triggered sharp declines Friday in trading in Hong Kong and Singapore. Hong Kong's Hang Seng stock index plummeted 3 percent, while the Straits Time Index in Singapore lost about 1 percent.

"It has become apparent the trend for interest rates is up," said Jaruwannee Kimchuwanit, an analyst for Book Club Finance & Securities in Thailand. "That isn't good for stocks."

There is no sign of a massive pullback in U.S. funds yet. But the threat of shifting interest rates has made Asian markets such as Hong Kong and Thailand wobbly this year.

Markets across Asia took a tumble after the Federal Reserve Board pushed up the federal funds rate, the rate banks charge each other for loans, by a quarter of a percentage point on Feb. 4 to 3.25. It was the first such increase in five years.

The Hang Seng Index, for example, dropped 6 percent on the Monday after the rate went up. U.S. rate increases are a more direct threat to Hong Kong's formerly high-flying stock market than to just about anywhere else. The Hong Kong dollar is pegged to the U.S. dollar, so rates in the British colony tend to track those in the U.S. Hong Kong's prime rate now stands at 6.5 percent.

For now, the Hong Kong Association of Banks, the local banking cartel, has decided not to follow the Fed's Feb. 4 increase.

Interest rates are the talk of the market in Thailand, where stocks have fallen more than 2 percent this week on concerns of an exodus of investors, especially foreign ones, towards fixed-rate deposits.

If U.S. interest rates rise to attractive levels, the fear is that American investors may shift some of their money back home.

Last week, two weeks after the Fed's move, four Thai commercial banks raised interest paid on fixed deposits by 0.25 to 0.75 percentage point, the first increases in more than a year. Narongchai Akrasanee, chairman and chief executive of General Finance & Securities, said he expected commercial bank deposit and lending rates to rise 50 to 100 basis points this year.

Indonesia is also worried about the direction of foreign cash, since about 27 percent of its share capital was held by foreigners as of June last year.

"American and Japanese funds are pulling out to place their funds in their own countries, where interest rates are higher," said Irwan Yunus, an analyst at W.I. Carr of Indonesia.

Japan and Taiwan present different scenarios. Taiwanese interest rates are actually expected to ease in the first half of the year, as inflation remains low and the government works to maintain steady economic growth, analysts said.

"We're expecting interest rates to ease a little bit," said Alan Hellawell, an analyst with S.G. Warburg Securities. "I think the government realizes it has to continue to espouse a pro-growth economic policy."

In Japan, interest rates cannot get much lower. The Bank of Japan's discount rate, the rate at which the central bank lends money to commercial banks, stands at a historic low of 1.75 percent, with speculation that an additional cut may come later this year.

But instead of looking to rates at home, Japanese stocks have been taking their cues from U.S. interest-rate movements.

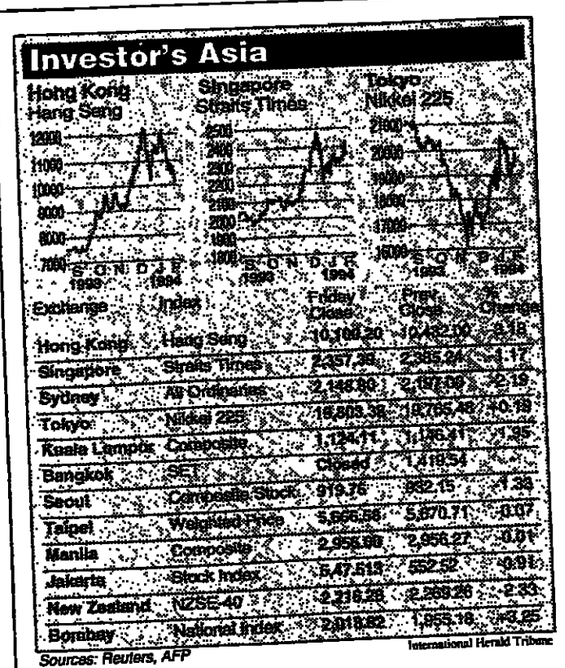
Recent indications of an additional U.S. rate increase have been a boost for Japanese stocks as higher U.S. interest rates create demand for dollars, which therefore boosts the value of the U.S. currency against other units.

Singapore has handled the transition to upward-moving local interest rates more smoothly. Decisions by three of the four major banks to raise their prime rates last month shook up the stock market only briefly. But prime rates are still low, between 4.75 percent and 5.5 percent, and analysts said they were not moving higher at a rate that could prompt investors to move out of stocks.

In neighboring Malaysia, interest rates drifted lower last year but remained significantly higher than Singapore, the United States and most major industrialized countries. The three-month interbank rate was about 8 percent at the start of the year, and is now at about 5.9 percent.

That interest rate differential and predictions that the local currency would strengthen contributed to a massive inflow of foreign funds. Bank Negara, the central bank, has moved this year to suck up some of that excess liquidity by weakening the currency and punishing speculators.

Investor's Asia



Very briefly:

- **Morgan Stanley Group Inc.** opened its first representative office in China; the firm said up to eight professionals will work in Shanghai.
- **Taiwan**, in its bid to join the **General Agreement on Tariffs and Trade**, told U.S. officials it would remove some technical trade barriers, including lifting some subsidies and changing its import licensing procedures.
- **Japan** became a net importer of color television sets in 1993 for the first time, importing 3.66 million units while exporting only 3.28 million.
- **MIM Holdings Ltd.**, an Australian base metal producer, sold its 13.85 percent stake in **Cominco Ltd.**, a Canadian lead, zinc and silver miner.
- **Komatsu Ltd.**, the Japanese construction equipment manufacturer, expects to earn 12.0 billion yen ($113 million) in the financial year ending in March, down from an earlier estimate of 17.0 billion yen.
- **Yokohama Rubber Co.**, Japan's second-largest tire maker, posted a consolidated loss of 207 million yen in its financial year ending in March, reversing from a profit of 4.8 billion yen in the previous year.
- **Compaq Computer Corp.** will open five offices in China this year, adding to the one it established in Beijing in 1993; the company said it expected sales in China to rise 60 percent to 70 percent this year.

Bloomberg, AP, AFP, AFX

Profit Rose 52% For Cathay Life

Reuters

TAIPEI — Taiwan's biggest life insurer, Cathay Life Insurance Co., stunned securities analysts and buoyed a gloomy stock market on Friday by reporting that profits soared 52 percent last year.

After-tax profits climbed to 8.09 billion Taiwanese dollars ($305 million) from 5.33 billion Taiwanese dollars in 1992, as sales rose 15.49 percent, to 169.8 billion Taiwanese dollars, the company said.

Analysts said the profits were probably due to big sales of stock in affiliate Cathay Construction Co. late last year.

Underwriters Added by BoC

Bloomberg Business News

NEW YORK — Bank of China, which plans to offer $500 million of Yankee bonds soon, on Friday named additional firms that will underwrite the bonds with Morgan Stanley & Co.

They are CS First Boston, Merrill Lynch & Co., J. P. Morgan Securities Inc., Bear Stearns & Co. and Smith Barney Shearson.

Yankee bonds are securities sold in the United States by foreign issuers.

Seoul Posts Current-Account Surplus

Reuters

SEOUL — South Korea had a current-account surplus last year for the first time in four years thanks to a surge in exports, according to figures released Friday by the Bank of Korea.

But analysts and economists said the surplus could be short-lived if the pace of economic recovery quickened and demand for overseas goods and services increased. Exports totaled $81.02 billion last year, up 8 percent from 1992, while imports amounted to $78.95 billion, up 2 percent.

Exports of heavy industrial goods rose a heady 13 percent, accounting for 64 percent of the country's total exports. Exports of light-industrial products fell 3 percent last year.

The current account — the trade balance including products and services — recorded a surplus of $450.3 million in 1993, compared with a deficit of $4.53 billion a year earlier, preliminary figures released by the central bank showed.

A Bank of Korea official said it was the first surplus since the $5.05 billion of 1989.

"Exports recovered rapidly, aided by a boom in new markets like China and Southeast Asian nations and the yen's appreciation," said Suh Byung Soo, manager of the bank's statistics department.

Mr. Suh said exports grew steadily thanks to a healthy rise in shipments of vehicles, ships and other heavy industrial products, while the rise in imports slowed due to depressed consumption and investment.

The bank's figures showed the trade account, which is about 80 percent of the current account, posted a surplus of $2.08 billion in 1993 against a deficit of $2.15 billion the previous year.

Exports to major industrial countries, which accounted for more than half of South Korea's total, rose 0.1 percent last year compared with a fall of 4 percent in 1992.

Exports to the United States, which fell 3 percent in 1992, edged up last year.

Shipments to developing countries increased 17 percent in 1993, against 24 percent the previous year.

South Korea's shipments to China rose 94 percent last year, compared with 165 percent in 1992.

Import growth remained lackluster because of a slowdown in domestic demand, the bank said.

Crude oil imports fell 4 percent last year, compared with a 17 percent rise the preceding year.

AT&T Announces Layoff Of 43% of Thai Workers

Bloomberg Business News

BANGKOK — American Telephone & Telegraph Co. will lay off 43 percent of its work force in Thailand as part of a major restructuring, a spokesman for the company said Friday.

About 1,500 workers at AT&T's telephone assembly plant in the Bangkadi Industrial Park, just north of Bangkok, will lose their jobs because of declining demand from the U.S. market, the spokesman said.

AT&T is currently looking for a new site to build a plant employing about 500 workers, he said. A date for Bangkadi factory closure has not been set, he added.

"They are trying to sell the existing facility," he said. "AT&T is in the process of finding other jobs for their workers."

Declining demand from the United States is the main reason for the cut, the spokesman said.

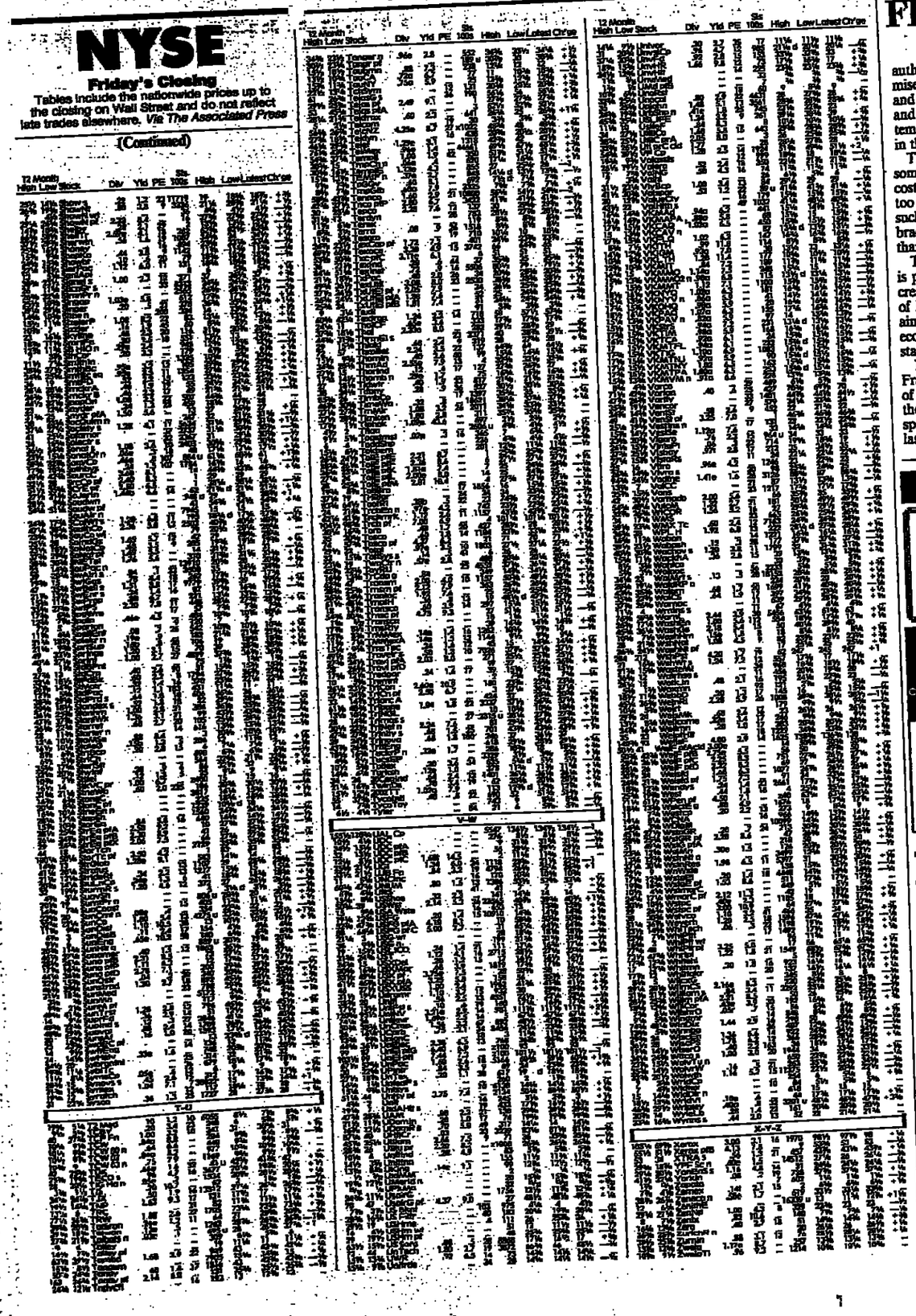
The Bangkadi factory has the capacity to manufacture 5 million consumer telephones annually and currently employs 2,000 people. The new plant will produce up to 1 million phones per year "initially for shipment to the United States," the company said in a press release.

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



FRENCH: *Warring Over Words*

Continued from Page 9

authorized to raid business premises and seize offending texts, and the bill threatens heavy fines and imprisonment for anyone attempting to impede these officers in their duty.

There is a risk in all of this that some businesses will decide that the cost of doing business in France is too onerous and move to a country such as the Netherlands, which embraces English as an asset rather than a threat.

This is a risk that the government is prepared to take, because it increasingly sees the encroachment of English as part of a war by jaw aimed at undermining France's economic, scientific and cultural standing in the world.

In defending its language, France is taking the lead on behalf of the 47 countries that attended the summit conference of French-speaking countries in Mauritius last October. The summit established a permanent council to reinforce the role of French in the world.

The language bill follows France's successful effort to exclude movies and other audio-visual from the recent tariff-cutting round of talks under the General Agreement on Tariffs and Trade. Also, Parliament recently passed a law saying that by Jan. 1, 1996, radio stations must broadcast a minimum of 40 percent of songs in French.

In banishing English altogether, however, the government seems to be at odds with the Académie Française, which publishes the official French dictionary and is allowed many Anglicisms and Americanisms into the edition it is currently producing. The real problem, according to the Academy's permanent secretary Maurice Druon, is not good English, but bad French, foreign affectations and advertising-speak.

NASDAQ

Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

A

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
9¾	8½	AIM Str	.42	4.9	...	55	8¾	8⅝	8⅝	—⅛
35½	12⅝	ALC		...	30	943	33	32½	32½	—½
11	9⅞	AM Intl n		...	...	21	10¼	10¼	10¼	+⅛
1⅞	½	AM In wt		...	...	20	15/16	15/16	15/16	...
14⅞	7⅜	AMC		...	16	161	11⅜	10⅝	11	—¾
24½	23⅝	AMC pf		...	...	1257	24½	d23½	24	—⅛
5	⅝	ARC		...	78	84	3¹¹⁄₁₆	3⁹⁄₁₆	3⅝	—1/16
26⅞	24¼	ARM F pf		...	...	12	25½	25⅜	25½	+¼
2⅝	1⅜	ASR	.23e	13.1	...	40	1¾	1⅝	1¾	+1/16
75⅜	63⅝	ATT Fd	2.69e	4.1	...	161	65⅝	64⅝	65½	+⅜
8⅞	2⅞	AckCom		...	51	54	8⅜	8⅛	8⅜	—⅛
5⅛	3⅜	AcmeU		...	...	3	3⅜	3⅜	3⅜	+1/16
3½	1¼	Action		...	...	90	2⅛	2⅛	2⅛	+⅛
6⅛	4	AdmRsc		...	13	10	4¹¹⁄₁₆	4¹¹⁄₁₆	4¹¹⁄₁₆	...
6⅞	2¾	AdvFin		...	22	42	3¼	3⅛	3¼	—⅛
14¾	9⅝	AdvMag		...	...	1	13	13	13	+⅛
7¾	⅞	AdvMedT		...	...	472	1¼	1⅛	1⅛	...
10⅞	3½	AdMd pf		...	...	13	7⅝	7½	7⅝	—¼
5⅞	3¼	AdvPhot		...	...	39	3⅝	3⅜	3⅜	...
3⅜	2⅛	Aeroson		...	8	17	2⅛	2⅛	2⅛	—1/16
16⅛	9⅝	AirWat		...	60	184	11	10¾	10¾	—⅛
24	18	AlrExp	.20	1.0	14	204	20⅜	20¼	20⅜	+⅛
4½	⅞	Alrcoa		...	17	3	3⅛	3⅛	3⅛	...
7¾	5¼	Alamco		...	8	20	7⅝	7⅝	7⅝	—⅛
18⅝	16	AHogen n	.36e	2.1	...	411	17⅜	17	17⅜	+⅜
1⅞	15/16	Alfin		...	...	54	1⅛	1 1/16	1⅛	...
17⅛	6¼	AlldRsh		...	3	7	8⅝	8½	8½	—⅛
11⅝	8	AllouH		...	14	115	10	9⅞	9⅞	—⅛
3⅛	1⅜	Alou wtB		...	...	84	2⅛	2⅛	2⅛	+1/16
6⅜	2⅜	Alphaln		...	...	54	3⅛	3⅛	3⅛	—1/16
12¼	6⅜	AlpInGr		...	...	265	7	6⅞	7	+⅛
64	53½	Alcoa pf	3.75	6.2	...	z50	60½	60½	60½	—⅛
8¼	4⅜	Amdhl		...	...	3033	5⅝	5⅜	5⅜	—⅛
16⅜	12⅜	AFstP2	1.55	12.3	...	11	12⅝	12⅝	12⅝	—⅛
21⅛	17½	AFstR n	.75e	4.1	...	5	18¼	18¼	18¼	...
49⅝	21⅞	AmBilt	.15	.3	15	16	43½	43	43½	...
8⅛	2⅛	AmEco s		...	...	4	4⅞	4⅞	4⅞	+⅛
1⅞	1	AExpl		...	...	488	1½	1⅜	1⅞	—1/16
14⅝	4¼	AIM 84	.65e	14.4	12	102	4⅝	4⅜	4½	—⅛
16⅜	12⅝	AIM 85	1.32	8.7	11	69	15⅛	15⅛	15⅛	...
14⅞	11⅝	AIM 86 n	.32e	2.4	...	64	13⅝	13⅜	13½	...
15	11⅞	AIM 88 n	.15e	1.1	...	12	13⅝	13⅝	13⅝	—⅛
18	12⅝	AmList s	.80	4.7	18	6	16⅜	16⅞	16⅞	+⅛
23⅛	14⅞	AMzeA	.64	...	...	2	[illegible]	[illegible]	[illegible]	[illegible]
14⅞	11⅛	AmPog n		...	...	178	11⅝	11⅜	11½	—⅛
15⅛	9	APestr	1.50a	13.5	7	5	11⅛	11⅛	11⅛	—⅛
9½	3⅜	ASciE		...	...	19	4	3⅞	4	...
4⅜	2½	AmShrd		...	...	30	3⅛	3⅛	3⅛	...
5	2	ATechC		...	12	16	3¹⁄₁₆	3½	3½	—1/16
13⅝	7½	Ampal		...	67	474	11	10⅞	10¾	—⅛
2⅝	1½	Ampal wt		...	...	5	1⅝	1⅝	1⅝	—⅛
14½	9⅝	Arnwest	.36	2.6	8	105	14⅛	14	14	+⅛
53⅝	5⅛	Andrea s		...	369	53	22½	22	22⅜	+⅛
7⅛	1⅝	AngMtg		...	...	67	3¹⁄₁₆	3⅛	3¹⁄₁₆	—⅛
15⅛	⅜	AngPar	14.50c	...	...	2	1⅛	1⅛	1⅛	+1/16
6	3⅝	Anuhco		...	15	14	5⅝	5⅝	5⅝	—⅛
12	5⅞	Aprogn n		...	...	290	10⅝	9⅞	10⅛	—¼
11⅛	5⅝	ArkRst		...	16	10	9⅞	9⅞	9⅞	+⅛
10	5⅝	ArrowA		...	18	17	9⅝	9½	9½	—⅛
12⅛	5¼	Arhyth		...	32	2	7⅞	7⅞	7⅞	—¼
4⅜	2⅝	Astrotc		...	30	67	3¼	3⅛	3¼	—⅛
12¾	½	Atari		...	...	756	6⅜	6⅛	6⅜	...
6⅝	4⅜	Atlantis	.03e	.5	9	67	6⅛	6⅛	6⅛	...
⅞	⅝	AtlsCM		...	...	50	[illegible]	[illegible]	[illegible]	...
3⅛	1/16	Atlas wt		...	...	6	2½	2½	2½	+⅛
18⅞	7	Audvox		...	14	60	16⅛	15⅞	16	—⅛
5	1⅞	Audre		...	...	1101	1½	[illegible]	[illegible]	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

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FIRST COLUMN

In the Calm, Old Truths Reappear

THOSE who were calling for a sharp correction in stocks and bonds are still waiting. After the storms of Thursday came the calm of Friday, which saw a little of the damage repaired.

But the market — just about any market you care to name — is still nervous. If you require confirmation of that, a quick critique of contemporary analytical thought will suffice. Many analysts, particularly those commenting on the bond markets, said that the sharp falls were not just overdone, but illogical. That's worrisome.

The notion that the markets should behave illogically is not of itself a cause for concern. Everyone (except die-hard perfect market theorists) knows they behave like a lunatic in an elevator pressing the buttons at random. So the very fact that the markets' illogicality should be cause for comment betokens not just naivety, but panic. The markets were, for example, most definitely illogical in pushing bonds to their absurd highs of late last year — a factor which persuaded this column to call for a sharp correction, which, to reiterate, has not yet occurred.

The interest rate climate alone is almost sufficient to see the equity cruise ship take on some water before it sails sweetly again. As we pointed out last year, with U.S. rates at their lowest point in a quarter of a century, shares and bonds had to be perilously high.

But the immediate crisis is over. This provides an opportunity for a little reflection, and a restatement of the fundamental verities of personal investment planning.

First, shares are still a good long-term bet against inflation, the ultimate investment enemy. It requires more bravery than usual to make a big capital investment now, but long-term regular savings into equity mutual funds are still the best method of accumulating capital.

Second, even if you do make major capital investments, remember that building capital is not done quickly.

Third, once you've made some money, remember Baron Rothschild. He got rich, so he said, by selling too early.

M.B.

'Ethical' Investors Claim They Do Well by Doing Good

By Philip Crawford

DESPITE a gradual increase in popularity, European "ethical" funds remain misunderstood and underused by the vast majority of British and Continental investors, say those who champion ethical and "green" investing.

The problem, say many, is simply one of education. Most Europeans don't understand what ethical investing is or how easily one can become involved in it. Campaigns aimed at spreading the word about conscience-clean returns are, indeed, a major order of the day in the ethical investment community.

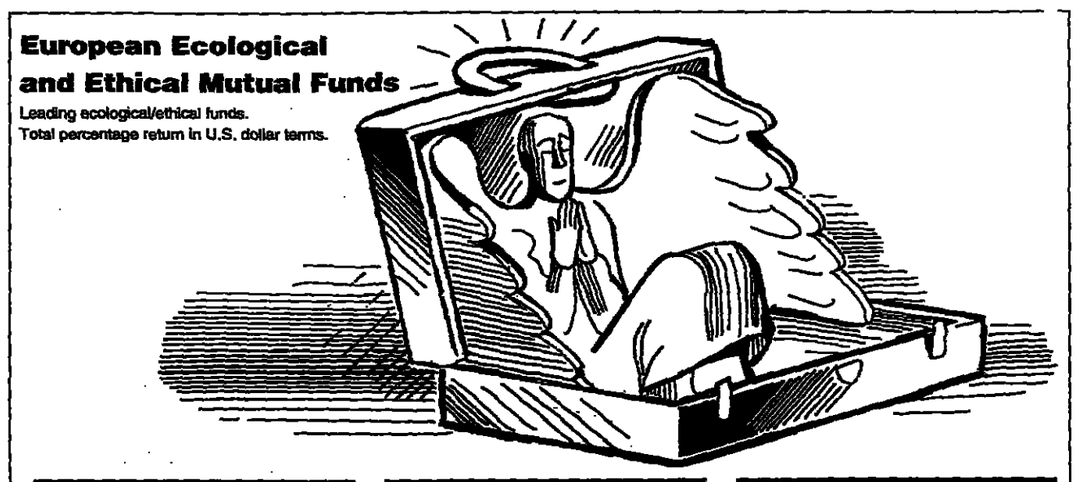
But European ethical fund managers and marketers are doing more than touting the environmental friendliness or pillar-of-the-community status of their stock picks, instead taking a new tack aimed at pricking up more investors' ears: they're making their pitch with performance.

"The evidence shows that the performance of ethical funds not only matches that of non-screened funds but often betters it," said Peter Silvester, investment director for U.K.-based insurer Friends Provident, a major player in Euro-ethical funds.

"And when you think about all the extra research that goes into screening companies to meet rigid ethical and environmental standards, that phenomenon make perfect sense," he said. "Companies which are well-managed enough to deal with the environment responsibly, treat their employees fairly, and address the concerns of their communities are good places to go trawling in the first place."

Mr. Silvester has some numbers to back up his claims. In the eight years prior to Jan. 10, 1993, the Friends Provident Stewardship managed pension fund turned in the best performance of all British equity managed pension funds, providing an annualized return of 20.2 percent, according to an independent survey carried out by Wyatt Co., a London consulting and actuarial firm. In the year leading to Feb. 1, 1994, the same fund returned 31.3 percent, according to Micropal, the fund-rating firm. And the Friends Provident Stewardship income fund, also ethically managed, returned 41.3 percent in the year to Feb. 1.

Including the just-launched Ethical Investment Trust, which attracted applications for £47 million ($72 million) in preference and ordinary shares, Friends Provident now runs seven ethical funds with a total of £450 million under management. That figure, according to Mr. Silvester, represents 60 percent of the total U.K. ethical investment market, which is by far Europe's largest.



European Ecological and Ethical Mutual Funds

Leading ecological/ethical funds.
Total percentage return in U.S. dollar terms.

Over one year to Feb. 1, '94	
Friends Prov Stewardship	41.24
Acorn Ethical	35.85
United Charities	34.02
NPI Global Care	33.53
Abtrust Ethical	32.24
MG Green Energy	31.84
Friends Prov Stewardship	31.32
Jupiter/Merlin Ecology	31.31
NM Conscience	31.28
Sovereign Ethical	30.58
Credit Suisse Fellowship	30.22
Abbey Ethical	29.93

Over three years to Feb. 1, '94	
Framlington Health	99.90
Acorn Ethical	58.96
CIS Environ	58.03
Abbey Ethical	53.88
Friends Prov Stewardship Inc	52.38
HGM Eco Tech	51.33
Eagle Star Environmental Opps	49.33
Friends Prov Stewardship N Am	48.57
Jupiter/Merlin Ecology	44.99
Friends Prov Stewardship	43.97
NM Conscience	43.13
United Charities	42.26

Over five years to Feb. 1, '94	
Framlington Health	192.50
Friends Prov Stewardship N Am	66.34
Abbey Ethical	61.89
United Charities	61.26
NM Conscience	60.93
Acorn Ethical	60.91
Jupiter/Merlin Ecology	50.80
Allchurches Amity	48.78
Friends Prov Stewardship	46.55
Friends Prov Stewardship Inc	46.55
Credit Suisse Fellowship	22.53
Selection Environnement	11.82

Source: Micropal

International Herald Tribune

Most estimates of the overall European ethical fund market put the number of funds at about 25, with more than £1 billion under management.

Jupiter Tyndall Merlin Ltd., whose Ecology fund returned 31 percent in the year to Feb. 1, is another leader in the sector. Mark Campanale, a senior member of the Merlin Research Unit, a division charged with finding international equities whose ethical profiles and growth prospects are both attractive, says the team's motto is "Invest in the best and encourage the rest."

"Let's say we're analyzing a dozen water companies," said Mr. Campanale. "We might choose two for our portfolio, and the choices represent a beginning rather than an end — the beginning of a dialogue between us and those companies regarding what they are doing and how they are doing it. But we would also talk to the firms we didn't choose and tell them what areas of their operations they might need to address before we would consider buying their shares."

Mr. Campanale said companies such as California Energy Co., which generates electricity from natural geothermal sources, Imco Recycling Inc., and New World Power Corp., which generates electric power from renewable resources, were prominent members of the Ecology fund's portfolio. Mr. Silvester mentioned Body Shop International PLC, the natural cosmetics maker, Amersham International PLC, a life-science research firm, and Halma PLC, a safety and environmental technology concern, as companies listed in Friends Provident ethical fund portfolios.

The marshiest area of the ethical investment realm is, of course, that which surrounds the question "What exactly is an ethical investment?" Each fund manager in the European sector seems to have his own definition. At Friends Provident, the committee that carries out ethical screening searches mainly for positive criteria, but flatly eschews companies involved in armaments-making or the testing of medicines or cosmetics on animals. At Merlin, companies that derive more than 1 percent of their revenue from activities concerning nuclear arms or tobacco products are disqualified.

Cyril Finance's Biosphere fund, however, launched in 1989 and acclaimed by some analysts as the first ethical French SICAV, has found itself in the unlikely position of being called an ethical fund against the wishes of its own manager.

"People call us an ethical fund because we are 50 percent invested in companies that are actively involved in helping the environment, with the other half being in health care," said Xavier D'Ornellas, who manages the Biosphere fund. "But I don't think of the fund as 'ethical' or 'green,' because my definition of those things might be different from yours. The purpose of the fund is not to be good or bad to mankind, but simply to make good investments in those sectors." The Biosphere fund, which lists French water companies Générale des Eaux and Lyonnais des Eaux, as well as the waste management and recycling concern SITA in its portfolio, returned 13.4 percent in the year ended Feb. 1.

Health care sector companies frequently fall into an ethically gray area, say analysts. Some put them in the sector because they are involved in healing sciences. Others however, perceive them differently. "I'm quite aware of what most people think of when they think 'ethical,'" said Anthony Milford, manager of the Framlington Health fund, which returned 99 percent over the three years ended Feb. 1. "And it isn't health care. The most obvious reason is that, by law, pharmaceutical and medical equipment companies have to test their products on animals before they can be tried on humans, and many ethical investors are against those practices."

Michael Aitken, an investment counselor with City Financial Partners in London, recently began to ask clients if they were interested in ethical or green funds. He said that roughly four in 10 have responded positively and that 17.5 percent have actually put a portion of their money into such a fund. "Another problem," said Mr. Aitken, "is that relatively few IFAs or investment counselors know much about ethical or green funds themselves."

Trends in the European ethical sector include a softening of attitudes toward investing in South Africa, due to steps taken there toward social reform. "Most people now don't want to exclude it automatically from their portfolios as they did for years," said Mr. Webster. "And if companies are creating decent jobs there, it could be viewed as a positive."

The Money Report is edited by Martin Baker

'Green' Firms Help the Private Investor

By Digby Larner

PRIVATE investors wishing to build their own ethical or environmentally friendly portfolio are usually put off by the amount of time and effort needed to research the stock. Having chosen a range of companies for purely financial reasons they would then have to throw questions at each one to find out if they were also socially responsible.

Even if companies were prepared to answer such questions, few private investors would be sure of what to ask.

While some stockbrokers offer ethical and green portfolio services to private clients they too can find the task daunting.

Eric Hathorn, a stockbroker with Henderson Crosthwaite in London, believes many portfolio managers end up making the wrong choices.

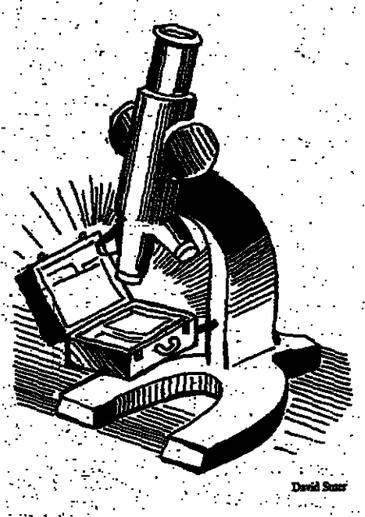
"I would only be interested in companies making a profit out of their environmental activities," he said. "It's not enough for them to have a clean environmental record or to be spending money on the environment. In many instances they are only doing so because they are under pressure to mend their ways. Their earlier record may have been absolutely lousy."

He adds that demands made by some investors can make this difficult task even harder. One otherwise environmentally sound telecommunications company that Mr. Hathorn recommended came under fire from investors because a part of its business involved supplying telephone lines to nuclear bunkers.

"Ethical and environmental issues are such a moveable feast that I do not think stockbrokers should get involved," he said. "Ethical fund managers have enough difficulty choosing the right investments. I do not think we should try to do so."

Other stockbrokers are happier to oblige. Jupiter Tyndall Merlin Ltd. in London claims to be one of the few investment houses with a separate research unit devoted to environmental issues. This, said Mark Campanale, a senior member of the Merlin research unit, helps private investors dig out the less obvious stocks they otherwise may have missed: "There are lots of obscure companies that are doing well. But where are private investors going to get the information they need? Lots of them are dependent on investing in unit trusts or buying shares in investment trusts."

For smaller private investors Jupiter Tyndall is not the solution. Its private client portfolios demand a minimum investment of £400,000 ($600,000).



David Suter

Franklin, a U.S. investment house, will only manage money for individuals with an account size of $600,000 or more. Franklin does, however, have two newsletters that help investors with smaller portfolios to gain access to the company's recommendations. Investing for a Better World (monthly, $29.95 a year) includes general news and a quarterly ranking of mutual funds, while more specific advice and write-ups on controversial companies are listed in Franklin Research's Insights (monthly, $195 a year).

In some cases private client services claiming to be tailored to individual needs simply lump together like-minded investors into a single portfolio. While this might suit most private investors those with ethical and environmental concerns may feel it fails to take account of their specific needs.

Despite these problems three growing trends are making life easier for those who prefer not to submit themselves to the standards set by pooled ethical and green investment funds.

The first trend is that more companies now want to be seen in a socially responsible light.

The combined pressure of legislation in some industries for such things as pollution control and demands from private and institutional investors is encouraging companies to be more open about their activities.

For example, major British companies like British Gas and British Telecom already produce reports detailing their environmental performance. Others carry out far-reaching "eco-audits."

The second trend is the activity among major institutional shareholders. These shareholders, acting partly on their own initiative and partly because of lobbying from stockholder action groups, are using their financial muscle to force company management to take account of their views. Most often, those views demonstrate a sensitivity to ethical and environmental issues.

Finally, there is the growing number of independent research companies providing detailed information to ethical and environmental investors.

In London the Ethical Investment Research Service, or EIRIS, offers different services depending on whether their clients' interests are ethical, environmental or both.

Ethical investors fill out a questionnaire listing the companies and sectors they prefer not to invest in.

From this, the research service produces investment choices among 1,000 British stocks. It also offers a portfolio screening service aiming at sourcing companies with a positive environmental performance.

Ethical and environmental research centers are also springing up in Switzerland, Germany and Austria.

Eco-Rating International in Zurich offers environmentally led investors the same type of ratings as Standard & Poors offer to those with purely financial concerns.

Companies are rated on a scale from minus five to plus five. The minus figures denote how harmful a company's activities are to the environment. The positive figures are awarded to those creating environmental benefits.

The company's spokesman, Robert Chanson, says that although only a few companies have opted for a rating, things are changing: "We usually rate small- to medium-sized companies, but we have just been approached by our first blue chip company. It is considering being rated as part of a public relations campaign."

Info-Centre Suisse, based in Fribourg, Switzerland, publishes similar reports. While they do not go into as much detail as Eco-Rating, the cost of the reports — at around $10 apiece — makes them affordable for even the smallest private investors.

Eco-Invest in Vienna publishes a fortnightly update on which companies across Europe are working to protect the environment.

For Investors in Germany, Scarcity of 'Ethical' Funds

By Ann Brocklehurst

GERMANY, the country that gave the world the Greens, has lagged far behind other nations when it comes to green and to ethical investing. There are only nine Deutsche mark-denominated ecological funds for sale, eight of which are registered in Luxembourg. And there are no ethical funds buying German stocks despite the acute national sensitivity to moral issues that is a legacy of World War II.

The main problem in establishing ethical funds is defining "ethical" to the satisfaction of government regulators. The federal agency responsible for approving the registration of funds has strict standards on "ethical" investing, which President Wolfgang Kuntze says differ from those of regulatory agancies in other countries.

While foreign ethical funds are mostly allowed to operate on the basis of certain "positive and negative criteria" for stock selection, a German ethical fund would have to precisely define ethical to the satisfaction of the national regulatory agency and then show that the stocks in its portfolio adhered to this definition, Mr. Kuntze wrote in a commentary.

'Is Daimler Benz ethical? Some of its trucks are used by the military. Or what about PWA? They are a paper maker but they also sell toilet paper to the army.'

Christian Humbert,
Head of Commerzbank fund unit

He also wrote that an ethical fund with a precise definition could be too limited in its choice of possible stocks to be able to spread its risk properly while, on the other hand, a fund with a looser definition runs the risk of doing " 'unclean' business next to its ethically 'clean' business."

It is little wonder that such fund managers as Christian Humbert, head of ADIG, the investment fund arm of Commerzbank, have not attempted to come up with a definition that would satisfy the regulators.

"Is Daimler Benz ethical?" Mr. Humbert asked. "Some of its trucks are used by the military. Or what about PWA? They are a paper maker but they also sell toilet paper to the army."

"It's very, very difficult to define what an 'ethical' company is," he said, adding that "even if it could be defined, there's no demand" for ethical funds.

On top of this, he noted that some fund managers also worry that if they were to offer ethical funds, it would lead to their ordinary *funds being seen as "unethical."*

Max Deml, the editor and publisher of the Vienna-based newsletter Oko Invest, says the regulatory debate over ethical and green funds in Germany can be seen as an example of "German thoroughness."

He pointed out that even in the area of ecological investing, where it is easier to come up with definitions for companies making environmentally friendly products, "most funds find it quicker and cheaper to set up in Luxembourg than argue with the federal regulatory agency."

Mr. Deml also disagrees with Mr. Humbert on the subject of demand for ethical and ecological funds. While the concept of ethical investing is a new one in Germany, it has been gaining ground rapidly in the current decade, he said, adding: "Germany is just five to 10 years behind the times."

Deutsche Bank's DGW investment fund subsidiary noted this month that there was growing interest in ecological investing.

"But the volume is still not big enough," it said, "to allow for the sufficient spreading of risk among indivual stocks in an ecological fund."

DGW added that so-called German ecological stocks also have been performing shakily recently with some of the key companies underperforming the stock market and incurring losses.

"Investors cannot be served with such shaky investments," it said. "They should direct their interest to diversified funds that are developing profitably."

But according to Oko Invest, several of the Luxembourg-based, mark-denominated funds posted gains ranging from 13 to 28 percent last year, although many are so new that it is harder to track their performance on a longer-term basis. One of the largest, H.C.M. Eco Tech, with 47 million DM ($27.3 million) invested, has, however, gained more than 73 percent in the past three years.

Even ADIG's Mr. Humbert, skeptical as he is about the current demand for ethical and ecological funds in Gemany; concedes: "We live in a highly competitive market. If these funds are profitable, people will want to buy them."

There may, however, be a solution outside the fund arena. ETiK Cologne plays an active role in the investment choices of ethical and green investors by bringing together relatively small groups of people.

It gathers 1,000 or so investors together to thrash out an investment strategy. When a fairly broad agreement is reached, ETiK Cologne appoints an investment manager to buy stock according to the group's wishes.

But whatever approach private investors take it is now easier than ever for them to pick and mix their own ethical and "environmentally correct" portfolios.

For 'Correct' Investing, No More Litmus Test

By Judith Rehak

ON Sept. 24, 1993, the U.S. social investing industry came to a crossroads. On that day, Nelson Mandela, leader of the African National Congress, called for the return of foreign investment to South Africa. At that point, social activists in the United States estimated that the bulk of the $800 billion in "socially responsible" investments was placed in companies with only one requirement — that they not do business in South Africa.

"South Africa was really the catalyst," said Steven Dyott of the Council for Economic Priorities. "Its passing signals a change in social investing, namely a much greater movement from avoidance to pro-active efforts like directly seeking out companies that have strong employee relations or are active in the community."

In other words, in addition to such forbidden areas as weapons, liquor and tobacco, the U.S. ethical investing industry has now refocused on such issues as the environment, women's and homosexual rights.

But *even in this new era*, one question dogs ethical investing: Can you do good and still turn a profit? Of nine socially responsible equity funds followed by Franklin Research & Development, a Boston group, eight were well below the average equity growth fund return of 10.6 percent for 1993.

"South Africa gave social investing a lot of visibility, but now I think people are going to look more at returns," said Jerome Dodson, portfolio manager for one of the industry's most successful efforts, the $114 million Parnassus Fund. The fund returned 17.4 percent last year, more than 9 percentage points ahead of its closest ethical rival. Why did it do better? "We find our universe of 500 companies is enough from a social standpoint," said Mr. Dodson, "but I think we're more rigorous in our research. For example, we visit most of the companies we're invested in."

"There's nothing about the style that says you can't do better," agrees Patrick McVeigh of the Franklin Group. "It's more a question of managers. Some are skilled and some aren't." Franklin manages $350 million for private accounts, and has an above-average annualized return of 17.26 percent for the five years through 1993. More significantly, its pro-active stance reflects the trend to changing companies by working *from the inside*. In the past year, it has helped Wal-Mart, the retailing giant, to establish a policy that ended its business with suppliers in China who were using child and prison labor. "They actually fired some of their suppliers," reported Mr. McVeigh. "So, we're willing to own their stock."

Steve Schueth, a vice president of the Calvert Group, the largest U.S. social investing player with about $1.4 billion in seven funds, acknowledged that performance was becoming more important. "A couple of our funds have underperformed, and we're taking some actions to change that," he said.

Calvert was the first to introduce a global ethical investing vehicle last year. Managed by Murray Johnstone of Britain, it was up 25.6 percent for 1993.

But there are also signs that funds which focus more on specific issues can encounter unexpected pitfalls.

No sooner had the Women's Equity Mutual Fund been introduced last October than it received complaints about two of the 10 "woman-friendly" companies being considered for investment. Linda Pei, the President of Pro-Conscience Funds, the fund's manager, said that one of the complaints turned out to be irrelevant, but the fund has not bought either company.

Nevertheless, she was firm in her objectives: "There's no perfect company out there," she said. "Sometimes they don't have the push to take that extra step unless somebody forces them to."

The fund, which singles out companies that lead in hiring, promoting and compensating women, has attracted $600,000 to date.

Another recent entry in the politically correct arena is the Lavender Screen Project. Run by Howard Tharsing of Progressive Asset Management, an Oakland, California, brokerage, it evaluates how public companies deal with such gay and lesbian issues as health insurance for same-sex partners, and support for workers who are HIV-positive or have AIDS.

On Mr. Tharsing's approved list are companies like Apple Computer, Colgate Palmolive and AT&T, which recently had a "Gay Awareness Week."

It's too soon to tell if the investing public will take these niche funds to their hearts — and bank accounts. The reaction among social investing money managers is one of "wait and see," possibly because of the sobering experience with the crash of environmental funds which were rolled out in 1990 during the hype surrounding Earth Day. Only two were deemed pristine enough to qualify as true social funds, but as a group the environmental funds — both pure and *impure* — have performed dismally, returning a paltry 3.37 percent, not accounting for management charges, in 1993.

"I welcome the new funds, but they might have a difficult time getting to the break-even point," said Mr. Dodson. A fund's break-even point, typically, is about $25 million under management, and with the industry average of $10,000 an account, 2,500 investors in a fund are needed to reach the break-even point.

Nevertheless, more ethical funds are on the way. "The success of the field will be seen as how professional we are at what we do," said Mr. McVeigh of Franklin. "People assumed when we started that it would be done by long-haired people who didn't know the business, and didn't know how to invest. We can be professional and provide professional returns." But do the performance figures back such a confident assertion?

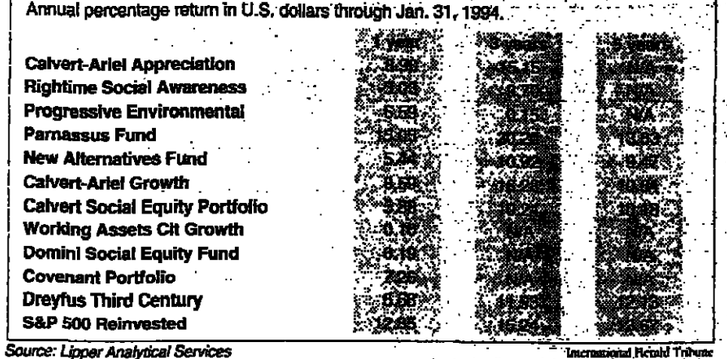
A GLANCE at the table of ethical fund returns, though, may leave investors wondering just where the boom year of 1993 went. With only two of the funds monitored by New York-based fund statistician Lipper Analytical Services recording a double-digit return, investors are going to need to believe very firmly that what they are doing is worthwhile, since these funds lag way behind every sector of the main U.S. equity markets.

"Frankly, I don't think the profit motive is what it's all about," said one New York-based consultant to the ethical fund industry. "The way forward surely has to be to find companies that conform to your principles. That's a difficult enough job without expecting them to produce massive profits each year."

"The future of this industry is the 'green' audit, where companies get points for their ecological probity, and capital returns don't play such a large part. Look at it this way. You get your dividend through regenerating the earth's natural resources."

U.S. Socially Responsible Funds

Annual percentage return in U.S. dollars through Jan. 31, 1994.



Source: Lipper Analytical Services

International Herald Tribune

Companies Try to Determine Their 'Green Quotient'

AMID today's increasing sensitivity to environmental issues, companies are finding that their "green" quotient has as much to with the land they own and the buildings they occupy as with the products and services they deal in. Many have turned to the major accounting firms for help in taking stock of themselves, giving rise to a new type of assessment animal: the Green Audit.

Typically, a green audit consists of a thorough on-site examination of how a company's buildings and industrial effluents, such as gaseous or liquid pollutants, affect the surrounding environment. The buildings' suitability for occupation, particularly as regards construction materials that have been shown to be toxic, is also investigated. The review, usually conducted by technical experts hired specifically by the accounting firm for the audit, gives the company an idea of whether it falls short of current acceptable standards.

Experts say there are several reasons why green audits are becoming more common. Last year, for example, the European Union introduced a set of environmental guidelines, the Eco Management and Audit Scheme, or EMAS, which although still voluntary has served notice that environmental responsibility is a growing issue in Europe.

"Companies are more nervous about their environmental profiles and the potential costs of bringing things into line, and that may cause some of them to seek an assessment," said Paul Harrison of the auditing firm Arthur Anderson in London.

Another reason for seeking to upgrade one's green profile is simply public relations value. As awareness of environmental and ethical investing grows, companies are increasingly interested in showing their greenest face to potential investors. Takeover situations can also trigger a green audit: When one company buys another, it wants to make sure that the target's land and buildings represent an asset, not a chemical-soaked liability.

But why are companies turning to accounting firms rather than directly to environmental consultants? "If a company has serious problems in that area, it can affect its financial position, and that's something its auditor ought to know about," said Derek Smith, who works with environmental issues for the auditing firm Ernst & Young in London.

"Also," he said, "the big companies want somebody to take care of it for them, and their traditional auditor is a logical place to turn. Finally, even though we need to bring in the technical experts, the methodology of a green audit is not all that dissimilar to a financial one."

P.C.

THE MONEY REPORT

Investors of Conscience Seek to Aid Third World

By Rupert Bruce

EMERGING markets might not seem the natural destination for the savings of the investor with a conscience, associated as these countries are with sweat-shop labor and exploitative wages. Nevertheless, environmental and ethical funds are beginning to buy.

Instead of identifying companies and countries they will not invest in, the funds are singling out those they believe likely to improve social or environmental conditions. They are also emphasizing that their funds have two bottom lines — one financial and the other ethical — each of which is equally important. In other words, they are saying: "If you invest with us you will help make the Third World a better place and make money."

Nick Parker, managing director of the London office of the Delphi Group, an investment management and consulting company, said: "What we are trying to do is say: 'Yes, an ethical stance is important, but ultimately, if you want to change the way capital moves, you have to demonstrate real economic returns and economic drivers.'"

"We are dealing," he added, "with billions and billions of dollars and a few millions of dollars here and there that are ethically invested are not going to do any good."

Emerging markets — defined by the World Bank as economies with per-capita GNP of less than $7,620 in 1990 — seem an unusual place for ethical and environmental funds to invest because at least part of their appeal to international capital is their lax social and environmental controls, meaning that a company can employ cheap labor with no vacation or sick pay, and can chop down virgin rain forests.

Friends of the Earth and other social and environmental groups mounted a campaign to prevent PT Barito Pacific Timber, an Indonesian logging company, from attracting international investors with a $250 million stock listing on the Jakarta Stock Exchange last summer.

Despite allegations of illegal logging, and harsh labor practices, Western investors flocked to the share issue. It was oversubscribed and started trading at a premium.

Tony Juniper, an activist at Friends of the Earth, says any fund that invested in an ethical company in the agricultural export industry, which dominates many Third World economies, would get a very poor return.

"If you are going to produce coffee in an ethical way," he said, to give an example, "you will be doing it at a far higher price than if you are Nescafé."

Some of the older generation of ethical and environmental funds merely apply social screening to stocks selected by investment managers, and if they discover anything about companies that suggest they may be unsuitable, they are dropped.

Calvert Group of Washington applies just such a technique to the portfolio selected for Calvert World Values Fund, by Murray Johnstone, a Glasgow-based investment manager. The World Values Fund holds $80 million of securities around the globe.

Its only emerging market investment is a Malaysian bank. Jon Lickerman, a director of social research at Calvert, says this has passed his screening to date, whereas some parts of the Japanese Mitsubishi Corp. which have logging businesses have not.

But surely, he was asked, this bank must have loans to companies with logging operations?

Maybe, he answered, but "we draw the line at companies that are directly involved."

The new generation of funds does not find their ethics limit their scope for investment. Mr. Parker of Delphi has two new funds. The $60 million India Environment & Energy Fund will be introduced in March, while the $20 million Africa Sustainable Tourism Enterprise fund is scheduled for the autumn.

Neither of these funds will invest through stock markets; instead they will make investments directly, generally in joint ventures between local companies and offshore companies. In each case, the fund will be investing with the twin aims of boosting its bottom line and encouraging improved management of the environment.


Nicolas Aicia

The Indian fund will be managed by a joint venture between Delphi and Bombay-based Infrastructure Leasing & Financial Services. Mr. Parker said the venture might establish a leasing company to upgrade two-stroke engines on motorized riskshaws, which account for 45 percent of India's annual gasoline consumption, to more efficient four-stroke engines.

The cost is only about $100 a vehicle, and the estimated pay-back period 1.6 years, but the average driver cannot afford it. If the driver leases the engine, everyone makes money and there is less pollution.

In Africa, there are plans to invest in safari camps that are underperforming. This would be done with the help of local partners and technical partners, like the World Wildlife Fund. Mr. Parker also plans to persuade international government bodies to invest. With tourism to view nature estimated to be growing more than 25 percent a year, there should be scope for making money. And, at the same time, Delphi can ensure its projects help the environment.

Ruth Harkin, president of the Overseas Private Investment Corp., a U.S. government agency that promotes investment in developing countries, recently predicted that the environmental industry in South America alone could be capitalized at more than $10 billion in the year 2000. If that sort of prediction holds true, as well as Mr. Parker's claim that his investments should see compound annual returns as high as 45 percent, this approach may achieve two strong bottom lines.

Fund Researchers: Ethics Are Subjective

By Baie Netzer

INVESTORS don't have to worry about a shortage of research agencies claiming to screen for socially responsible investments. It's the supply of information backing up that research that may cause some concern. "There's never enough information," conceded Suzanne Harvey, director of Prudential Securities' Social Investment Research Center in Washington. "That's the nature of the business."

Unlike financial disclosure, "ethical" disclosure from a company can include reams of information, or be virtually nil. As a result, investment analysts trying to identify socially responsible companies constitute a new breed of detective. Sources feeding them with information range from grass-roots environmental groups in small communities to international human-rights associations and independent scientists keeping a critical eye on industry.

Technology is also key. Government databases and private on-line computer services are tapped into, records of litigation printed out, emission reports scanned. Subscriptions to special-interest newsletters are bought, and competitors' research is used.

At Franklin Research & Development in Boston, a staff of five full-time analysts (assisted by interns) covers regularly about 150 companies. But in addition to their in-house research, Franklin's money managers also buy research from such other firms as the Investor Responsibility Research Center in Washington, and Kinder, Lydenberg, Domini & Co. in Boston.

But while Franklin concentrates on those companies that pass screening in such fields as animal rights and employee relations, many full-service brokerage firms, such as Prudential, will help their clients screen according to their own ethical code.

To supplement its research, Franklin relies in part on the research of nearby Kinder Lydenberg. At that firm, a staff of 12 analysts cover about 900 companies, about six times the number that Franklin covers, with only twice the number of analysts.

"We've been doing this for six years and we have a backlog of information on these companies which saves us some legwork," said Peter Kinder, president of the company. Performance is measured by tracking the Domini 400 Social Index, a group of 400 ethical stocks.

Yet despite the shared information among so many of the researchers in the socially responsible investing field, recommendations remain largely subjective. "Unfortunately, there doesn't seem to be any uniform standard as to what is really considered an ethical investment," said Jeanine Magill, an analyst who tracks environmental and socially responsible mutual funds for Morningstar, a fund-rating service in Chicago.

Take the steel company Nucor. Nearly three years ago, the company figured on Franklin and on Kinder's recommended list. Then news of Nucor's high worker-fatality rate grabbed the headlines. Kinder's analysts decided the statistics were an anomaly and kept the company in their index. Franklin removed the company from its buy list for a year and a half.

"They were trying to rush a new technology into the marketplace but they weren't giving their workers proper training," said Franklin's director of research, Patrick McVeigh. Two months ago, Nucor regained Franklin's approval after it convinced the firm it had upgraded its training program.

At the Interfaith Center on Corporate Responsibility in New York, disagreement on some issues is so strong that members have simply agreed not to discuss them. For instance, some Catholic institutional investors belonging to the coalition would like to screen out investments in companies producing birth-control pills. Other religious groups in the 250-member coalition disagree. Since no agreement can be reached, the groups have formed a sort of "peace treaty," and will not publish news on such screening in its newsletter, The Corporate Examiner (10 issues yearly, $35), according to Diane Bratcher, director of communications.

In some cases, companies can pass muster with a research agency if they keep their "unsocial" activities to a minimum. Ask Kinder Lydenberg what they think of weapons makers and you'll hear they have a tolerance for companies where weapons account for less than 2 percent of sales. Why? "It's a practical screen," said Mr. Kinder.

Because the Defense Department and the Energy Department only identify prime defense contractors and not subcontractors, "it's incredibly difficult to identify the smaller subcontractors," Mr. Kinder said, adding, "It's usually a tip-off if there's a retired admiral sitting on the board."

Though poor government records have long plagued analysts, the latest research challenge comes in the field of international human rights. Most ethical investment research companies have dropped the exclusive focus on South Africa with a more general screening examining a company's international operations.

For instance, research uncovering forced prison and child labor at some Chinese factories persuaded Wal-Mart to adopt new standards for its suppliers.

For the Resolutely Incorrect, Investing That Way Isn't as Easy as It Seems

IF there are funds on the side of the angels, how about investing on the other side of the celestial fence — what about an *unethical* fund? The idea is probably perverse enough to give one or two investors a little fun, even if it might be a little difficult to market.

But the first question must be financial, not ethical: Would an unethical fund make money?

"You'd expect an unethical fund to make money when times are bad. When there's a slump, people are driven to drink. And after alcohol the comfort of tobacco is just about the last thing they'll give up," said one prominent New York-based ethical fund analyst who spoke on condition of anonymity.

But there are two problems facing would-be investors in these most prevalent of human vices. First of all, is the actual performance of stocks in this sector, and second is the difficulty of obtaining a stock that invests "purely" in one product or the other.

Ever since commentators stopped talking about recession and began making hopeful noises about a recovery, these recession-proof stocks have performed respectably, but not very well. Presumably investors in unethical stocks would have straightforward, base motives such as profit (in extreme cases, greed).

Unfortunately, the best returns have been elsewhere, in the booming financial sector — although presumably an unethical fund manager might find a bank that was making money out of lending to a politically "unsound" régime somewhere.

Which brings us to the second problem for the unethical investor. How do you find a purely unethical company? Clearly, if a company is quoted it is adhering at the very least to contemporary accounting standards. Already these companies are tainted by honesty.

And then there is the difficulty of finding a pure play. Even the dirtiest chemicals company will produce something that helps protect the environment. While just about all the drinks and tobacco companies have hugely diversified industrial bases.

If you invest in B.A.T., or British American Tobacco, for example, you find you have put your money into a multinational conglomerate with interest in manufacturing and financial services. Selling cigarettes and cigars is a relatively small part of the business.

"Perhaps it's just better to stick to trying to make some money," said the New York-based analyst. — M.B.

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INTERNATIONAL FUNDS

Feb. 25, 1994

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.
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ABC INVESTMENT & SERVICES CO (E.C.)	
Manama-Bahrain,PO 2808,Fx 533062 Tl 532235	
m ABC Futures Fund Ltd ___ $	134.45
m ABC Islamic Fund (E.C.) ___ $	124.02
m ABC Global Recovery Fd ___ $	108.26
ABN AMRO BANK, P.O. Box 283, Amsterdam	
w Columbia Securities ___ Fl	162.75
w Trans Europe Fund Fl ___ Fl	99.34
w Trans Europe Fund $ ___ $	51.22
w Alrenta ___ Fl	274.30
AIG FUND MANAGEMENT Ltd	
d AIG Amer. Eq. Trust ___ $	32.8782
w AIG Balanced World Fd ___ $	108.7804
w AIG Eurocu Fund Plc ___ Ecu	132.2145
w AIG Euro Small Co Fd Plc ___ $	155.5309
w AIG Europe Fd Plc ___ $	131.4791
w AIG Japan Fund ___ $	114.1793
w AIG Latin America Fd Plc ___ $	161.9200
w AIG Millicurrency Bd Fd Plc $	108.7161
w AIG South East Asia Fd ___ $	265.6560
d High Life Fund ___ Ecu	9.77
d UBZ Euro-Optimizer Fund ___ Ecu	13.38
d UBZ Liquidity Fund $ ___ $	112.7986
d UBZ Liquidity Fund DM ___ DM	123.3967
d UBZ Liquidity Fund Ecu ___ Ecu	124.1454
d UBZ Liquidity Fund SF ___ SF	120.6923
ALFRED BERG	
d Alfred Berg Norden ___ $	196.17
Alfred Berg Sicav	
d Far East ___ $	168.09
d Germany ___ DM	237.01
d Global ___ $	175.32
d Japan ___ Y	11808.00
d Netherlands ___ Fl	242.00
d North America ___ $	119.60
d Switzerland ___ SF	198.71
d U.K. ___ £	81.26
ALPHA FUND MANAGEMENT, LTD	
48 Par-La-Ville Rd. Hamilton, HM11 Bermuda	
w Alpha Asia Hedge (Feb 16) ___ $	151.05
m Alpha Europe Fd (Jan 31) ___ Ecu	288.59
m Alpha Futures Fd (Jan 31) ___ $	218.44
m Alpha Glbl Prp Trad ___ $	
m Alpha Global Fd (Jan 31) ___ $	1036.18
m Alpha Hedge Fd (Jan 31) ___ $	491.38
m Alpha Japan Spec (Jan 31) ___ $	293.88
m Alpha Latin Amer (Jan 31) ___ $	319.80
m Alpha Pacific Fd (Jan 31) ___ $	435.80
m Alpha SAM ___ $	133.52

CALLANDER	
w Callander Emer. Growth ___ $	134.02
w Callander F-Asset ___ $	152.64
w Callander F-Austrian ___ AS	1373.37
w Callander F-Spanish ___ Pta	9806.00
w Callander F-US Health Care $	75.29
w Callander Swiss Growth ___ SF	156.36
CAMPBELL (BERMUDA) LTD	
w Glbl Institutional (18 Feb) ___ $	886.73
CANADIAN INTERNATIONAL GROUP	
d CI Canadian Growth Fd ___ C$	6.41
d CI North American Fd ___ C$	7.91
d CI Pacific Fund ___ C$	18.38
d CI Global Fund ___ C$	9.83
d CI Emerg Markets Fd ___ C$	9.79
d CI European Fund ___ C$	5.93
d Canada Guar. Mortgage Fd C$	19.08
CAPITAL INTERNATIONAL	
w Capital Int'l Fund ___ $	136.21
w Capital Italia SA ___ $	42.81
CDC INTERNATIONAL	
w CEP Court Terme ___ FF	171943.68
w GFI Long Terme ___ FF	1517288.60
CINDAM BRAZIL FUND	
d Cindam Equity Fund ___ $	145.3352
d Cindam Balanced Fund ___ $	105.2874
CITIBANK (LUXEMBOURG) S.A.	
POB 1373 Luxembourg Tel. 477 95 71	
d Citinvest Global Bond ___ $	102.61
d Citinvest FGP USD ___ $	1269.70
d Citinvest FGP ECU ___ Ecu	1335.19
d Citinvest Selector ___ $	
d Citicurrencies USD ___ $	
d Citicurrencies DEM ___ DM	
d Citicurrencies GBP ___ £	
d Citicurrencies Yen ___ Y	
d Citiport N.A. Equity ___ $	
d Citiport Cont. Euro Equity ___ Ecu	
d Citiport UK Equity ___ £	
d Citiport French Equity ___ FF	
d Citiport German Equity ___ DM	
d Citiport Japan Equity ___ Y	
d Citiport IAPEC ___ $	
d Citiport Eamec ___ $	
d Citiport N.A. $ Bond ___ $	
d Citiport Euro Bond ___ Ecu	
d Managed Currency Fund ___ $	
CITIBANK (PARIS) S.A.	
w Citi 96 Cap Gtd ___ $	
CITITRUST	

FINMANAGEMENT SA-Lugano(41.91/239312)	
w Delta Premium Corp ___ $	1177.00
FOKUS BANK A.S. 472 428 555	
w Scanfonds Int'l Growth Fd ___ $	1.12
FUND MARKETING GROUP (BID)	
P.O. Box 2001, Hamilton, Bermuda	
m FMG Global (31 Dec) ___ $	15.59
m FMG N. Amer. (31 Dec) ___ $	12.51
m FMG Europe (31 Dec) ___ $	11.75
m FMG EMG MKT (31 Dec) ___ $	13.74
m FMG O (31 Dec) ___ $	11.03
FX CONCEPTS (BERMUDA) LTD	
w Concepts Forex Fund ___ $	10.60
GAIA CURRENCY FUNDS	
w Gaia Hedge II ___ $	144.87
w Gaia Hedge III ___ $	17.33
w Gaia Swiss Franc Fd ___ SF	52.39
w GAIA Fx ___ $	114.56
m Gaia Guaranteed Cl. I ___ $	86.86
m Gaia Guaranteed Cl. II ___ $	86.45
GARTMORE INDOSUEZ FUNDS 24/02/94	

m Hermes Global Fund ___ $	702.31
m Hermes Bond Fund ___ Ecu	1316.26
m Hermes Sterling Fd ___ £	115.09
m Hermes Gold Fund ___ $	439.74
INCOME PARTNERS (ASIA) LIMITED	
w Asian Fixed Income Fd ___ $	10.134
INTERINVEST (BERMUDA) LTD	
C/o Bank of Bermuda. Tel : 809 295 4000	
m Hedge Hog & Conserve Fd ___ $	10.05
INTERNATIONAL ASSETS FUND	
2, Bd Royal, L-2449 Luxembourg	
w Europe Sud E ___ Ecu	104.17
INTERNATIONAL MGMT INCOME FUND	
w Treasury Compartment Fd.ITL	101336
INVESCO INT'L LTD, POB 271, Jersey	
Tel: 44 534 73114	
d Maximum Income Fund ___ £	1.0800
d Sterling Mngd Ptfl ___ £	2.5300
d Pioneer Markets ___ £	7.6080
d Okasan Global Strategy ___ $	17.6000
d Asia Super Growth ___ $	26.7500
d Nippon Warrant Fund ___ $	2.4500

d Class B-1 ___ $	10.12
d Class B-2 ___ $	10.48
POUND STERLING PORTFOLIO	
d Category A ___ £	16.85
d Category B ___ £	16.51
US DOLLAR PORTFOLIO	
d Category A ___ $	14.08
d Category B ___ $	13.73
YEN PORTFOLIO	
d Category A ___ Y	1320
d Category B ___ Y	1292
MULTI CURRENCY BOND PTFL	
d Class A ___ $	22.96
d Class B ___ $	22.45
US FEDERAL SECURITIES PTFL	
d Class A ___ $	9.83
d Class B ___ $	10.36
MERRILL LYNCH	
EQUITY / CONVERTIBLE SERIES	
BASIC VALUE PORTFOLIO	
d Class A ___ $	15.05
d Class B ___ $	14.44

w Leveraged Cap Holdings ___ $	65.73
b Pri Challenge Swiss Fd ___ SF	1161.59
b Priequity Fd-Europe ___ Ecu	128.644
b Priequity Fd-Helvetia ___ SF	118.057
b Priequity Fd-Latin Am ___ $	155.856
b Pribond Fund Ecu ___ Ecu	137.678
b Pribond Fund USD ___ $	114.757
b Pribond Fd HY Emer Mkts $	117.520
w Selective Invest SA ___ $	394.113
b Source ___ $	28,071.10
w US Bond Plus ___ $	1915.398
w Variplus ___ Ecu	1172.51
ROTHSCHILD (GROUP EDMOND DE)	
OTHER FUNDS	
d Asia/Japan Emerg. Growth $	18.84400
w Esprit Eur Partn Inv Tst ___ Ecu	1469.45
w Europ Strateg Investm fd ___ Ecu	106.500
b Integral Futures ___ $	980.72
b Optigest Global Fd General DM	197.301
b Optigest Global Fix Income DM	175.425
d Pacific Nies Fund ___ $	9.79
w Permal draakar Growth NV $	3887.04

d Japan ___ $	18.23
d Philippines ___ $	78.47
d Thailand ___ $	24.04
d Malaysia ___ $	25.08
d Indonesia ___ $	18.87
d US$ Liquidity ___ $	10.17
d China ___ $	19.49
d Singapore ___ $	24.88
THORNTON TAIWAN FUND	
d Equity Income ___ $	12.86
d Equity Growth ___ $	14.40
d Liquidity ___ $	10.00
UEBERSEEBANK Zurich	
d B - Fund ___ SF	1254.29
d E - Fund ___ SF	682.89
d J - Fund ___ SF	388.78
d M - Fund ___ SF	1312.40
d UBZ Euro-Income Fund ___ SF	10.99
d UBZ World Income Fund ___ Ecu	60.81
d UBZ Gold Fund ___ $	138.38
d UBZ Nippon Convert ___ SF	1278.93
d Asia Growth Convert SFR ___ SF	1331.10
d Asia Growth Convert US$ ___ $	1276.86
d UBZ DM - Bond Fund ___ DM	105.98
d UBZ D - Fund ___ DM	171.48
d UBZ Swiss Equity Fund ___ SF	120.99
d UBZ American Eq Fund ___ $	98.74
d UBZ $ - Bond Fund ___ $	100.20
UNION BANCAIRE ASSET MGT (UBAM)	
INTERNATIONAL, NASSAU	
w Ardelinvest ___ $	2768.06 z

w Fairfield Sentry Ltd ___ $	316.45
w Fairfield Strategies Ltd ___ $	86.18
m Fatum Fund ___ $	1534.24
m Firebird Overseas Ltd ___ $	156.87
w First Eagle Fund ___ $	60248.39
w First Ecu Ltd ___ Ecu	43.38
m First Frontier Fund ___ $	66.18
m First Intl Investment Ltd ___ $	2.91
w FL Trust Asia ___ $	162.44
w FL Trust Switzerland ___ SF	134.52
d Fondilalia ___ $	85.04
w Fonlux 1 Money ___ SF	959.18
w Fonlux 2 Devise ___ SF	987.52
w Fonlux 3 - Intl Bond ___ SF	1009.76
w Formula Selection Fd ___ SF	51.77
m Future Generation Ltd ___ $	1088.58
m GEM Generation Ltd ___ $	1051.61
m Gems Progressive Fd Ltd ___ $	1810.69
m German Sel. Associates ___ DM	1903.08
m GFMC Growth Fund ___ $	1,023
w Global 93 Fund Ltd S ___ $	16.20
w Global Arbitrage Ltd ___ SF	1586.44
b Global Cap Fd BVI Ltd ___ $	111152.86
w Global Futures Mgt Ltd ___ $	1227.17
m Global Monetary Fd Ltd ___ $	998.24
w Gonnard ___ SF	28.26
d GreenLine France ___ FF	995.05
m Guaranteed Capital Intl 94 LF	585199.08
w Harbinger Latin Amer ___ $	107.82
f Haussmann Hldgs N.V. ___ $	689.14
w HB Investments Ltd ___ $	1392.01
m Hemisphere Neutral Jan 31 $	115.07

BUCHANAN FUND LIMITED	
c/o Bank of Bermuda Ltd : (809) 295-4000	
f Global Hedge USD ___ $	13.93
f Global Hedge GBP ___ £	14.59
f European & Atlantic ___ $	13.62
f Pacific ___ $	12.95
f Emerging Markets ___ $	24.69
CAISSE CENTRALE DES BANQUES POP.	
d Fructilux - Obl. Fses A ___ FF	8610.95
d Fructilux - Obl. Euro B ___ Ecu	1583.32
w Fructilux - Actions Fses C ___ FF	9881.19
d Fructilux - Actions Euro D ___ Ecu	1815.21
d Fructilux - Court Terme E ___ FF	8466.72
d Fructilux - D Mark F ___ DM	1045.89

w European Equity Fd ___ $	124.80
EVEREST CAPITAL (809) 292 2280	
m Everest Capital Intl Ltd ___ $	136.40
FIDELITY INT'L INV. SERVICES (Lux)	
d Discovery Fund ___ $	21.24
d Far East Fund ___ $	82.72
d Fid. Amer. Assets ___ $	204.69
d Fid. Amer. Values IV ___ $	117599.00
d Frontier Fund ___ $	39.52
d Global Ind Fund ___ $	20.29
d Global Selection Fund ___ $	23.89
d International Fund ___ $	20.81
d New Europe Fund ___ $	13.75
d Orient Fund ___ $	132.19
d Pacific Fund ___ $	413.90
d Special Growth Fund ___ $	41.29
d World Fund ___ $	121.43

HASENBICHLER ASSET MANGT Ges.m.b.H.	
w Hasenbichler Com AG ___ $	4882.00
w Hasenbichler Com Inc ___ $	109.68
w Hasenbichler Div ___ $	101.46
w AFFT ___ $	1308.00
HEPTAGON FUND NV (5999-615555)	
f Heptagon QLB Fund ___ $	105.32
m Heptagon CMO Fund ___ $	179.65
HERMES ASSET MANAGEMENT LTD	
Bermuda: (809)295 4000, Lux: (352)404 64 61	
Final Prices	
m Hermes European Fund ___ Ecu	377.51
m Hermes North American Fd $	309.16
m Hermes Asian Fund ___ $	403.41
m Hermes Emerg Mkts Fund ___ $	143.35
m Hermes Strategies Fund ___ $	809.30
m Hermes Neutral Fund ___ $	119.11

CORPORATE HIGH INCOME PTFL	
d Class A-1 ___ $	10.25
d Class A-2 ___ $	10.51
d Class B-1 ___ $	10.25
d Class B-2 ___ $	10.49
DEUTSCHE MARK PORTFOLIO	
d Category A ___ DM	13.53
d Category B ___ DM	13.18
EUROPEAN BOND PORTFOLIO (DM)	
d Class A-1 ___ $	15.76
d Class A-2 ___ $	16.86
d Class B-1 ___ $	15.76
d Class B-2 ___ $	16.75
EUROPEAN BOND PORTFOLIO (US$)	
d Class A-1 ___ DM	10.12
d Class A-2 ___ DM	10.74

POB 973,3000 AZ Rotterdam,(31)10 2241224	
d RG America Fund ___ Fl	150.90
d RG Europe Fund ___ Fl	134.20
d RG Pacific Fund ___ Fl	130.90
d RG Divirente Fund ___ Fl	54.90
d RG Money Plus F Fl ___ Fl	112.47
d RG Money Plus F $ ___ $	102.56
d RG Money Plus F DM ___ DM	118.48
d RG Money Plus F SF ___ SF	106.80
More Robeco see Amsterdam Stocks	
ROTHSCHILD (GROUP EDMOND DE)	
IN-HOUSE FUNDS	
w Asian Capital Holdings Fd ___ $	65.53
w Daiwa LCF Rothschild Bd ___ $	1013.11
w Daiwa LCF Rothsch Eq ___ $	1146.51
w Force Cash Tradition CHF ___ SF	10284.40
w Leicom ___ $	2670.14

d Class B-1 ___ $	13.61
d Class B-2 ___ $	17.86
INCOME PORTFOLIO	
d Class A ___ $	10.47
d Class B ___ $	10.17
THORNTON MANAGEMENT LTD	
d Pacif Invt Fd SA $ ___ $	14.89
d Pacif Invt Fd SA DM ___ DM	41.27
d Eastern Crusader Fund ___ $	15.86
d Thor. Lliti Dragons Fd Ltd ___ $	45.37
d Thornton Orient Inc Fd Ltd $	28.74
d Thornton Tiger Fd Ltd ___ $	57.33
d Managed Selection ___ $	24.98
w Jakarta ___ $	18.97
d Korea ___ $	15.98
NEW TIGER SEL. FUND	
d Hong Kong ___ $	69.16

w Unico Equity Fund ___ DM	73.37
d Unico Inv. Fund ___ DM	69.84
m Unitrades CHF ___ SF	1323.89
m Unitrades CHF Reg ___ SF	1149.89
m Unitrades FRF ___ FF	14301.16
m Unitrades USD ___ $	1213.36
w Urbas Int'l Ltd ___ $	3448.08
m Valbonne ___ Ecu	151.82
m Victor Futures Fund ___ $	243.79
b Voyager Investments Plc ___ $	11.8072
w Vulture Ltd ___ $	2975.12
m Welles Wilder Int'l Fd ___ $	980.85
w Wilier Japan ___ Y	229.08
w Wilier South East Asia ___ $	18.88
w Willowbridge Int'l CFM ___ $	937.57
d Win Global Fd Bd. Ptfl ___ Ecu	157.50
d Win Global Fd Eq. Ptfl ___ Ecu	137.92
d Win Global Fd Res Ptfl ___ SF	219.78
d World Balanced Fund S.A. ___ $	13.85
m Worldwide Limited ___ $	99.53
w WPG Farber O'seas Part ___ $	152.9527
m WW Capital Grth Fd Ltd ___ $	1145.27
m Young ___ SF	228.45
m Zephyr Hedge Fund ___ $	264.58
m Zweig Int'l Ltd ___ $	28522.00

"Which Way Are The Markets Moving?"

An IHT conference on global fund management, March 23-24. For details, fax Brenda Hagerty at (44-71) 836 0717.

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y - Yen; a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; + - Paris exchange; ++ - Amsterdam exchange; a - misquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

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THE MONEY REPORT

BRIEFCASE

900 Professionals Attend Mutual Fund Conference

Nearly 900 professionals representing virtually all facets of the U.S. mutual fund industry converged on Tarpon Spings, Florida, last week for the 12th annual National Investment Company Service Association conference. Reviews were upbeat.

Topics of the three-day event included how new technology is changing the face of the industry, the operational issues faced by transfer agents and custodians, and management of the modern work force.

NICSA

The association's executive director, Robert L. Goldberg, said attendance at the conference has climbed nearly 20 percent annually for the past two years, a trend that some conference attendees said reflected the U.S. fund industry's steady growth. The association, based in Boston, holds about 15 additional conferences a year in various international locations to address current industry issues.

"We're trying to provide the best ongoing education on the most important industry-specific topics," said Mr. Goldberg.

For information on future NICSA events, call 1 (617) 277-1855.

Regent Group of Hong Kong Sets Emerging-Market Fund

Regent Fund Management, a Hong Kong-based fund group specializing in Asian investment, is branching out with the introduction of an open-ended mutual fund that will invest in emerging Latin American and Asian markets.

Yet another emerging markets fund? Regent Fund Management's chairman, Jim Mellon, argues that "there are still tremendous unexploited opportunities in developing and emerging markets."

"The emerging markets of Asia and Latin America have consistently outperformed those of the rest of the world since 1988," he said. "The World Bank forecasts that the gross domestic product growth of these countries will continue to exceed that of developing countries into the next century."

Mr. Mellon also points out that the price of shares relative to the earnings offered shareholders is still equal to or more favorable than in industrialized, developed stock markets.

The new fund, the Nova Latin Pacific Investment Co., will use Valores Finamex, an asset management subsidiary of the Mexican Grupo Financiero Promex Finamex.

The fund is registered in the Cayman Islands and will be listed on the Irish stock exchange. Minimum investment is $104,000.

For more information, contact a Bankers Trust or Finamex Securities office, as both companies are acting as placement agents. Or Call Regent Pacific's London-based marketing branch in London at (44 71) 332 0360.

Standard Chartered Sets Fund With Rothschild Unit

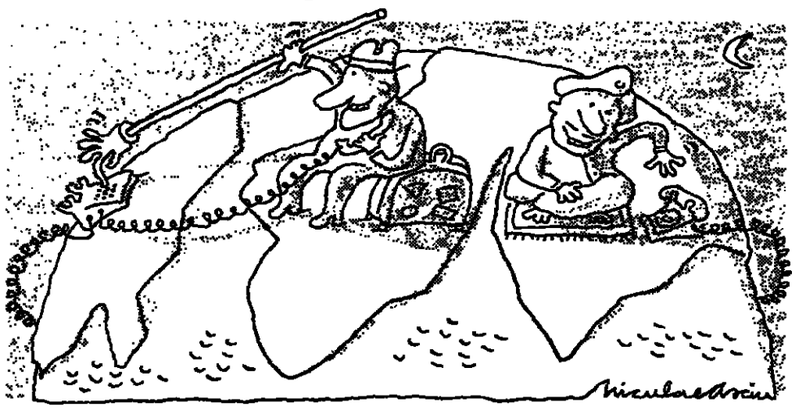
A new set of offshore currency funds in the Channel Islands has been launched by Standard Chartered Bank (C.I.) Ltd. and Rothschild Asset Management (C.I.) Ltd. The money funds work by pooling funds and offering individual investors the benefit of inter-bank interest rates.

"Many of our worldwide customers holding accounts in Jersey, Guernsey and the Isle of Man are concerned about the effect of falling bank interest rates on their deposits," said Beverley Le Cuirot, Standard Chartered's marketing manager. "The link with Rothschild International Money Funds is aimed at giving our customers easy access to an alternative investment vehicle which may generate enhanced returns."

For more information, call Standard Chartered in Jersey at (44 534) 507 001.

Phone Bills: Outwitting Larcenous Hotels

By Joshua Shapiro



AFTER making sure that all passport, visas, and shots are up-to-date, the next task on the preparation checklist for an overseas traveler ought to be enrolling in the Kallback Direct service offered by International Telecom Ltd., a young American company based in Seattle.

This service allows travelers to make phone calls that are unburdened by any surcharges from hotels or phone companies. Callers get dependable, high- quality digital service at a rate typically less than half the cost of "home direct" methods. High-tech travelers can use this method with computer modems and portable fax equipment.

Thank mainly the hotels for generating an unlikely new export industry in American phone services. Frequent travelers find that the more comfortable the room accommodations, the more egregious the charges on checkout. After banquet services and laundry fees, most hotels have found a sizable profit center in the surcharges and inflated usage tolls they apply to guest calls.

A hotel typically adds a fixed fee to make any outside call and then adds a shift premium over normal phone-company tariffs. For several years AT&T tried hard to curb excesses. It ultimately failed in its campaign to persuade hotels to moderate and publicize these charges, leaving the traveler on his own.

In addition to hotel costs, calls in some countries are subject to the vagaries of the local phone companies that may not begin to provide convenient, reliable or inexpensive overseas service. Remember the rule of thumb for calling from underdeveloped countries: The more inept the service, the higher the rates. From a caller's perspective, for example, Russia is now an underdeveloped country.

The phone system in the United States is typically cheaper than others. Entrepreneurs at International Telecom, who provide Kallback Direct, have figured out a way to profit from the seeming limitless greed and incompetence of hoteliers and phone companies by letting anyone circumvent exorbitant charges and tolls as they roam by splicing them into the U.S. phone network.

The service is based on special software written for an advanced computerized central office phone switch. Subscribers are given a Seattle phone number to call. To use the service they call Seattle but allow one ring and then immediately hang up. Since no call is completed, there is no cost or room charge for this.

The digital switch has been programmed to know the number of the caller and returns the call. If the subscriber is calling through a switchboard operator, a computer-generated voice will ask for the party. This is done by name and room number, in English and in the language of the local country code. On answering, the caller gets a regular U.S. dial tone and from then on, can call any number in the world.

Calls to the United States are billed at the U.S.-to-foreign-country rate with any applicable time-of-day discount. Calls outside of the United States are billed as the sum of the U.S.-to-originating-country call and a U.S.-to-destination-country call. Billing is monthly via credit card. There is a monthly $10 service charge.

The service is very useful for calling across what are otherwise closed borders. For example, calls to Russia from Saudi Arabia or to Bosnia from Serbia that are normally restricted by local authorities may be made via Kallback. Callers can also use this method to reach any of the toll-free 800 numbers in the United States. (AT&T's US Direct will only reach AT&T 800 numbers.)

The central computer can be programmed automatically to call daily at a fixed time, so that a user, say in Cambodia, would not be dependent on getting the initial overseas connection to the United States. Once the initial dial tone is received, a series of calls can be made without having to call Seattle each time. The connection can be used for voice, facsimile, or data modem transmissions. Currently, about 40 percent of the traffic is used for nonvoice applications.

Overseas Phone Charges Compared

Cost of a 10-minute call made at 9 A.M. local time, excluding any hotel surcharges.

	Kallback Direct	MCI Call USA	AT&T Call Direct	Local phone co.
Bahamas to Los Angeles	$5.25	$10.63	$10.72	$27.00
Melbourne to Boston	$5.80	$17.04	$17.65	$9.75
London to Washington, D.C.	$4.50	$16.28	$16.79	$6.30
Taipei to New York	$9.30	$18.78	$19.29	$15.07
Lillehammer to San Francisco	$6.70	$14.02	$14.53	$12.57

Sources: Kallback Direct, MCI

International Herald Tribune

Britons Learn Joy of a Clean Conscience

By Aline Sullivan

ARE British investors less virtuous than Americans? Certainly the Americans adopted ethical investing long before the British. But now that the British have discovered how to make money without adding to the sum of human misery, investors are flocking to the idea.

The first British "ethical" fund was launched in 1984, 13 years after the first U.S. ethical fund. It is not always easy to compare like with like in this field: some funds treat investments in gambling as ethical, for instance, while others do not. But by any measure, British enthusiasm for ethical investment is growing fast.

More than £550 million ($800 million) is now invested in ethical funds in Britain, up from £320 million in May 1992 and £144 million in February 1989. This is a far faster growth rate than that shown by the British investment market as a whole.

Patrick Meehan, of the independent financial adviser Holden Meehan, based in Bristol, said clients are becoming more confident about ethical funds as the funds develop longer track records.

"Four or five years ago, investors were just putting a thousand pounds in, just a toe in the water," said Mr. Meehan. "Now they have the confidence to do much more. We have 25 clients who have put in excess of £100,000 into ethical funds."

Some funds are less scrupulous than other, however. Holden Meehan will shortly publish 1994 guide with an ethical and environmental rating for each fund. The company asks some simple questions designed to weed out the not so ethical. "What resources do fund managers apply to the screening process? Do they have a committee of reference, an independent watchdog group that meets regularly to review the fund's policies?"

But the hypersensitive investor would probably be best advised to stash his money under the mattress. In Britain, as in the United States, there are few investments that can be made with complete confidence by the ultra-scrupulous.

"The British are more likely than Americans to say that, while they are concerned about what companies are doing, they recognize that it is well nigh impossible to have a squeaky clean portfolio," said Tessa Tennant, head of research at Jupiter Tyndall Merlin, a London-based firm that runs several funds and advises wealthy private clients about ethical investments.

British investors tend to be less bothered than Americans about investments in China or South Africa, Ms. Tennant said. Instead, they worry about companies selling arms — fears that are likely to be fanned by the current investigation into whether arms sales to Iraq were sanctioned by the British government in defiance of international sanctions. Other big concerns are investments in the tobacco industry, nuclear energy and animal testing, she said.

"The markets are different," agreed Mr. Meehan. "There is far more money invested in ethical funds in the United States than in Britain, but many of the American funds do not have as high a level of screening."

Of course, American investors have preoccupations that would not even occur to most British investors. Fund managers say that some Americans are worried about investing in British companies operating in Ulster.

This fear is best illustrated by the MacBride Principles, a set of nine measures developed in 1984 by the Office of the Comptroller of New York City to increase employment opportunities among Catholics in Northern Ireland.

The principles, which are in force in 13 U.S. states, prohibit state and municipal investment in Ulster companies deemed to maintain unfair employment practices.

U.S. investors may be reluctant to put their money into Northern Ireland, but many American investment funds are happy to entrust part of their portfolios to London-based ethical fund managers to give them an international dimension. Continental European investors are also flocking to London, advisers say, because they are unable to buy into ethical funds in their home countries.

British financial advisers also expect demand for offshore ethical funds in the future. To date, however, the only fund available is the Royal Skandia Best of Green fund, based in the Isle of Man. The management charges are steep, according to Mr. Meehan, and most investors are better off paying tax on on-shore funds.

The Friends Provident Stewardship Fund is a big favorite with investors. The fund, which accounts for about 55 percent of the British ethical fund market, has recorded average annual growth of 21.4 percent since its introduction in June 1984. That compares with an average annual growth rate of 15 percent average for British funds generally.

SPORTS

Manning Traded for Wilkins

New York Times Service

By Robert McG. Thomas Jr.

NEW YORK — Two flashy forwards on the eve of free agency have swapped teams, with Danny Manning, the disgruntled Los Angeles Clippers star, going to Atlanta for Dominique Wilkins, the Hawks' aging but still effective human highlights man.

In exchange for the 27-year-old Manning, the Clippers will also receive the Hawks' first choice in the National Basketball Association draft either this year or in 1995.

The deal, which came after Manning had made it clear that he would leave the Clippers when he became an unrestricted free agent after this season, was announced just before Thursday's night's trading deadline.

Two other deals also beat the wire.

The Utah Jazz acquired shooting guard Jeff Hornacek and swingman Sean Green from the Philadelphia 76ers for guard Jeff Malone. And the Milwaukee Bucks sent center-forward Frank Brickowski to the Charlotte Hornets for Mike Gminski and a No. 1 pick.

The Clippers, knowing they could not keep Manning, had talked with several teams, including Houston, Portland and Miami, before striking a deal with the Hawks.

Convinced that the Clippers were simply not committed to building a championship team, Manning turned down a long-term contract offer last July, signing instead a one-year deal that pays him $3.25 million.

Wilkins, a 12-year NBA veteran who is also scheduled to become an unrestricted free agent after this season, has spent his entire career in Atlanta. He is winding up a contract that pays him $3.5 million.

Although Manning and Wilkins have almost identical scoring records this season, with Manning averaging 23.7 points a game and Wilkins 24.4, the Clippers were able to command a premium for Manning — their choice of Atlanta's top draft choice either this year or in 1995 — because Manning is seven years younger than the 34-year-old Wilkins.

For Manning, who led Kansas to the National Collegiate Athletic Association championship in 1988 and has been longing for a professional championship ever since, the trade seemed to be just made to order.

The Clippers, who made the playoffs for the last two seasons but were knocked out in the first round both times, are languishing in the cellar of the Western Conference's Pacific Division with a 17-34 record.

Under their first-year coach, Lenny Wilkens, Manning's new team, the Hawks, appear clearly playoff-bound. Their 36-16 record puts them in a tie with the Chicago Bulls atop the Eastern Conference's Central Division.

Even so, Manning, who said he had not begun contract talks with the Hawks, made clear that he was not necessarily in Atlanta to stay.

"I'm just glad I know where I'm going to be for the next few months," he said in an interview with Turner Network Television at halftime of the Knicks-Rockets game Thursday night.

Although Wilkins was not unhappy in Atlanta, the trade won't make him a total stranger on his new team. The Clippers' first-year coach, Bob Weiss, coached the Hawks for three seasons until he was fired last season.

At a news conference in Los Angeles, Weiss, who had just talked with Wilkins, said, "He was a little down about the way he feels Atlanta has handled him. He's also excited about coming to L.A."

In the Hornacek-for-Malone trade, the Jazz acquired a better all-around player in Hornacek but gave up a player with a better shooting percentage.

Hornacek is averaging 16.6 points on 46 percent shooting. Malone is averaging 16.2 points on 49 percent shooting.

"He's always been a hard-nosed player," Utah's coach, Jerry Sloan, said of Hornacek. "But the biggest thing is he's a couple of years younger than Jeff."

Hornecek will now be paired with the All-Star guard John Stockton in the Jazz backcourt.

In the Brickowski-Gminski trade, the Bucks gave up their leading scorer but got an extra first-round pick.

Suns Down Timberwolves For 19th Straight Game

The Associated Press

The Phoenix Suns remained unbeaten in 19 games against Minnesota, defeating the Timberwolves behind 26 points from Cedric Ceballos.

Phoenix, which has won five of six overall, built a 65-57 half-time lead in Minneapolis, as Ceballos scored 13 points in the second quarter. The Timberwolves, who lost their fifth straight, never drew within 16 points during the second half.

Dan Majerle scored 17 of his 21 points in the first quarter, when he tied a Suns record with five 3-pointers.

Rockets 93, Knicks 73: In Houston, Hakeem Olajuwon had 29 points and 20 rebounds, and made four straight baskets in a fourth-quarter run that carried the Rockets over the cold-shooting New York Knicks.

The Knicks, who shot 29 percent in a loss to Seattle on Tuesday, were off the mark again. They shot 38 percent, and scored only 29 points in the second half.

Mavericks 115, Hornets 110: Rookie Jamal Mashburn tied his career-high with 37 points and visiting Dallas handed Charlotte its 12th loss in 13 games.

Because of injuries, illness and the the trade of reserve center Mike Gminski to the Milwaukee Bucks before the game, the Hornets dressed only nine players.

NBA HIGHLIGHTS

John Bazemore/The Associated Press

Dominique Wilkins, who has spent his 12-year NBA career with the Hawks, will go to the Clippers.

A 3d Title For UMass With Defeat Of Temple

The Associated Press

This time, Mike Williams got the attention he deserved.

He should have been the focus after his game-winning shot lifted Massachusetts to victory over Temple on Feb. 13. Then the Owls' coach, John Chaney, stole the show with his post-game threat against his counterpart, John Calipari.

But the junior guard reclaimed the spotlight in a rematch between the two Atlantic 10 rivals Thursday

COLLEGE BASKETBALL

night in Philadelphia. He banked in a 3-pointer with eight seconds to play to give the 11th-ranked Minutemen a 51-50 victory over No. 8 Temple and their third straight conference title.

"I was sitting around this afternoon hoping it wouldn't come down to a last shot. I was hoping we'd be up 10," said Williams, who finished with 15 points on 5-for-9 shooting from 3-point range. "They gave me a chance to get the shot off and I took advantage of it."

The Minutemen (23-5, 13-1) had never won in 12 games at McGonigle Hall and have now beaten the Owls (20-5, 12-4) four straight.

No. 9 Arizona 96, Oregon St. 69: Khalid Reeves scored 30 points as visiting Arizona shrugged off a slow start and won its fifth in a row with a Pacific-10 rout of last-place Oregon State (6-16, 2-11).

The Wildcats (21-5, 11-3) trailed by eight points early and didn't take the lead for good until Damon Stoudamire scored inside to put Arizona ahead, 28-27, with 3:02 left in the half.

No. 12 Indiana 81, Northwestern 74: In Evanston, Illinois, Damon Bailey scored 33 points and Alan Henderson added 24 as Indiana spoiled the return of Northwestern's coach, Ricky Byrdsong, after a four-game leave of absence. It was Indiana's 13th Big Ten victory over the Wildcats dating from 1988.

The Hoosiers (17-5 overall, 10-3) built a 41-28 halftime advantage as Northwestern (11-10, 2-11) made only 33 percent of its field goals.

No. 17 California 92, No. 15 UCLA 88: In Los Angeles, Lamond Murray scored 36 points and Jason Kidd had 23 points and 11 assists as California dropped UCLA into a first-place tie in the Pacific-10 Conference.

The Golden Bears (19-5, 10-3) moved within a half-game of the Bruins in the conference. Shon Tarver led UCLA (18-4, 11-3) with 30 points — 21 of them in the second half.

Long Beach St. 84, No. 25 New Mexico St.: Rod Hannibal made two free throws with 10 seconds remaining to lift Long Beach State (15-8, 9-6 Big West) over visiting New Mexico State (19-4, 11-3).

After Hannibal's free throws, the Aggies moved the ball to midcourt before calling a timeout with seven seconds to go. Darrin Jackson then missed an 18-foot jumper with about three seconds left and Long Beach's James Cotton got the rebound as time ran out.

Another Desertion From Ailing SWC

The Associated Press

COLLEGE STATION, Texas — With little discussion and no dissent, Texas A&M University's Board of Regents ended the school's nearly 80-year affiliation with the Southwest Conference in favor of greener pastures.

The Aggies' decision Thursday to accept a Big Eight Conference merger offer followed Baylor University's defection. Texas and Texas Tech were expected to follow suit, bringing the Southwest Conference another step closer to extinction.

There was little discussion Thursday involving the seven regents who participated in a telephone conference call at a special board meeting. A quick vote was taken with no one dissenting.

A&M's athletic director, Wally Groff, said that he had mixed emotions about the vote, that while it was good for his school, he was "sad for the schools not invited."

The decision, however, was not difficult, he said.

"If you're not moving forward, you're moving backward," Groff said. "We needed to move forward. It was really a decision about what's best for our athletic program.

"Aggies are tradition-minded, and I'm an Aggie. But change is inevitable."

Texas A&M, Baylor and Texas are charter members of the SWC, which was organized in 1914. Texas Tech joined in 1956.

Baylor's decision to quit was made Wednesday, just days after the Big Eight made its proposal wooing the four so-called "haves" of the SWC. The offer excluded Houston, Rice, Southern Methodist and Texas Christian, who have been dubbed the league's "have-nots."

The Big Eight's proposal is meant to find the best possible television contract beginning in 1996-97. The Big Eight decided having the four SWC schools would make for a more lucrative offer.

Disintegration of the SWC began in 1990 when the University of Arkansas, another founding school, fled to the more financially profitable Southeastern Conference.

The Austin American-Statesman reported Friday that the SWC had heard from about 15 schools interested in discussing possible mergers, including Tulane, Louisville, Memphis State, Tulsa and Cincinnati.

SCOREBOARD

NBA Standings

	W	L	Pct	GB
EASTERN CONFERENCE				
Atlantic Division				
New York	36	17	.679	—
Orlando	31	20	.608	4
Miami	27	25	.519	8½
New Jersey	27	25	.519	8½
Boston	20	33	.377	16
Philadelphia	20	33	.377	16
Washington	16	37	.302	20
Central Division				
Atlanta	36	16	.692	—
Chicago	36	16	.692	—
Cleveland	29	24	.547	7½
Indiana	26	25	.510	9½
Charlotte	23	29	.447	13
Milwaukee	15	36	.283	21½
Detroit	13	39	.255	23
WESTERN CONFERENCE				
Midwest Division				
Houston	38	13	.745	—
San Antonio	39	15	.722	½
Utah	35	19	.648	4½
Denver	26	27	.491	13
Minnesota	15	37	.288	23½
Dallas	8	46	.148	31½
Pacific Division				
Seattle	37	14	.725	—
Phoenix	35	16	.686	2
Portland	32	21	.604	6
Golden State	31	21	.596	6½
LA Lakers	19	32	.373	18
Sacramento	19	34	.358	19
LA Clippers	17	34	.333	20

THURSDAY'S RESULTS

Dallas	35	23	26	31—115
Charlotte	31	24	34	21—110

D: Mashburn 15-21 5-8 37, Jackson 6-10 5-7 17. C: E. Johnson 9-22 5-7 23, Curry 5-22 2-2 12. Rebounds—Dallas 48 (Jones 7), Charlotte 43 (E. Johnson 10). Assists—Dallas 31 (Jackson 10), Charlotte 22 (Bogues 10).

Phoenix	35	30	23	32—120
Minnesota	30	17	25	29—101

P: Majerle 8-16 0-0 21, Ceballos 9-12 8-8 26. M: D. West 8-19 5-6 21, Rider 11-23 6-6 28. Rebounds—Phoenix 62 (Miller 9, Ceballos 9), Minnesota 50 (Laettner 10). Assists—Phoenix 29 (Barkley 8), Minnesota 29 (Smith 12).

New York	21	22	13	16—73
Houston	32	17	21	23—93

N.Y.: C. Smith 7-13 0-0 14, Ewing 5-15 2-2 12. H: Olajuwon 10-28 9-15 29, Maxwell 5-15 6-6 18. Rebounds—New York 45 (Ewing 11), Houston 59 (Olajuwon 20). Assists—New York 22 (Harper 4), Houston 27 (Maxwell 6).

LA Lakers	26	27	24	15—90
Sacramento	25	29	23	25—102

L.A.: Divac 7-18 3-4 18, Threatt 10-19 8-8 28. S: Simmons 10-18 9-12 29, Richmond 8-11 5-7 22. Rebounds—LA Lakers 45 (Divac 16), Sacramento 59 (Polynice 12). Assists—LA Lakers 22 (Divac, Threatt, Van Exel 5), Sacramento 24 (Simmons 9).

Major College Scores

Duquesne 97, St. Bonaventure 76
George Washington 51, N.C. Charlotte 48
Hartford 86, Boston U. 69
Hofstra 96, St. Francis, NY 89
Massachusetts 51, Temple 50
Monmouth, N.J. 80, Robert Morris 72
Mount St. Mary's, Md. 113, Marist 91
Rhode Island 105, West Virginia 102, 3OT
Rutgers 89, Holy Cross 65
Vermont 84, Northeastern 76
Wagner 84, St. Francis, Pa. 73
Ala.-Birmingham 83, Southern U. 61
Charleston South. 88, Coastal Carolina 87, OT
Coll. of Charleston 64, Fla. International 59
Delaware St. 91, Howard U. 85
McNeese St. 74, Sam Houston St. 66
Md.-Baltimore County 73, N.C.-Asheville 61
Memphis St. 85, Ark.-Little Rock 66
Mercer 77, Samford 64
N.C.-Greensboro 71, Campbell 58
Nicholls St. 100, Stephen F.Austin 76
Towson St. 82, Winthrop 68
Tulane 72, South Florida 60
Cleveland St. 77, Youngstown St. 72
Ill.-Chicago 92, Valparaiso 71
Illinois St. 72, Drake 66
Indiana 81, Northwestern 74
NE Illinois 111, Chicago St. 92
SW Missouri St. 71, Creighton 38
W. Illinois 70, N. Illinois 68
Wis.-Milwaukee 58, Wis.-Green Bay 55
Wright St. 77, E. Illinois 68
Houston 89, Southern Meth. 80
North Texas 80, Texas-San Antonio 76
SW Texas St. 94, Texas-Arlington 66
Texas-El Paso 72, Fresno St. 70
W. Kentucky 85, Lamar 83
Arizona 96, Oregon St. 69
Cal St.-Fullerton 101, UC Irvine 95
California 92, UCLA 88
Colorado St. 98, San Diego St. 83
Gonzaga 93, San Francisco 89
Hawaii 95, Wyoming 94, 3OT
Idaho 79, N. Arizona 73
Long Beach St. 84, New Mexico St. 83
New Mexico 90, Air Force 71
Oregon 87, Arizona St. 80
Pacific 86, Nevada 69
Portland 94, San Diego 89
S. Utah 68, CS Northridge 61
Stanford 66, Southern Cal 55
UNLV 64, UC Santa Barbara 63
Utah St. 67, San Jose St. 64
Weber St. 87, E. Washington 80

NHL Standings

EASTERN CONFERENCE						
Atlantic Division						
	W	L	T	Pts	GF	GA
NY Rangers	39	17	4	82	216	159
New Jersey	32	20	8	72	217	168
Washington	29	26	6	64	193	182
Philadelphia	29	29	4	62	223	237
Florida	26	24	10	62	170	167
NY Islanders	24	29	6	54	200	195
Tampa Bay	23	31	8	54	165	182
Northeast Division						
Boston	31	19	11	73	199	169
Montreal	32	22	8	72	206	178
Pittsburgh	29	28	12	70	218	217
Buffalo	31	24	7	69	207	164
Quebec	24	31	5	53	195	204
Hartford	21	34	6	48	175	210
Ottawa	10	44	8	28	155	279
WESTERN CONFERENCE						
Central Division						
Detroit	36	20	5	77	270	211
Toronto	33	18	11	77	209	176
Dallas	33	21	8	74	220	195
St. Louis	31	22	8	70	195	200
Chicago	28	26	7	63	186	172
Winnipeg	17	39	7	41	181	259
Pacific Division						
Calgary	31	22	10	72	229	195
Vancouver	29	28	3	61	202	198
San Jose	22	29	11	55	175	207
Anaheim	23	35	5	51	174	194
Los Angeles	21	32	7	49	217	235
Edmonton	16	38	9	41	190	232

THURSDAY'S RESULTS

Anaheim	0	2	0	0—2
Pittsburgh	1	1	0	0—2

First Period: P-Mullen 34 (Joser, McEachern); (pp). Second Period: P-McEachern 10 (Brown, Noslund); A-Sweeney 11 (Yake, Williams); (pp). A-Sacco 12 (Hill, Van Allen); (sh). Shots on goal: A (on Barrasso) 13-11-14-3—41. P (on Shtalenkov) 11-7-4-1—23.

San Jose	1	2	1	1—4
Ottawa	2	2	2	2—6

First Period: O-Rumble 4 (Yashin, Davydov); S.J.-Ozolinsh 17 (Garaeylov); O-Turgeon 7 (MacIver); (pp). Second Period: S.J.-Baker 8 (Whitney); S.J.-Duchesne 10 (Ellis, Pederson); O-Hoffman 2 (MacIver, Levins); (pp). O-MacLwain 32 (Yashin); (sh). Third Period: O-Turgeon 8 (Lamb, Yashin); (pp). S.J.-Odgers 12 (Makarov, Irbe); 10-MacLwain 13 (McBain); (en). Shots on goal: S.J. (on Bélanger, Tabin) 16-12-17—45. O (on Irbe) 16-11-12—33.

St. Louis	0	0	0	0—0
Quebec	1	4	1	1—4

First Period: Q-Sakic 20 (Bossey). Second Period: Q-Lapointe 7 (Sakic); Q-Bossen 7 (Lapointe, Butcher); Q-Ricci 20, Q-Young 19 (Ruckinsky, Ricci). Third Period: Q-Sundin 23 (Sutter). Shots on goal: S.L. (on Fiset) 15-10-4—29. Q (on Joseph, Hrivnak) 8-18-4—24.

N.Y. Rangers	1	1	1	1—3
New Jersey	1	0	0	0—1

First Period: N.Y.-Zubov 9 (Messier, Leetch); (pp). N.J.-MacLean 29 (Nichols). Second Period: N.Y.-Graves 43 (Messier, Zubov). Third Period: N.Y.-Gilbert 2 (Lowe, Zubov); (pp). Shots on goal: N.Y. (on Bradour, Terreri) 6-12-17—35. N.J. (on Richter) 11-12-12—36.

N.Y. Islanders	1	1	2	0—4
Philadelphia	0	3	1	1—5

First Period: N.Y.-Ferraro 12 (Flatley, Hague). Second Period: N.Y.-Green 15 (Dalpiaz, Malakhov); P-Lindros 35 (Brind'Amour, Racine); (pp). P-Recchi 33 (Barnaby, Renberg); P-Brind'Amour 17 (Galley, Lindros). Third Period: N.Y.-Kruse 6 (Malakhov, Turgeon); (pp). P-Faust 5 (Konroyd); N.Y.-Krupp 7 (pp). Overtime: 0, Philadelphia, Brind'Amour 18 (Lindros, Galley). Shots on goal: N.Y. (on Roussel) 4-6-7-2—19. P (on Hextall) 6-12-9-1—28.

Washington	1	0	1	0—2
Florida	0	0	1	1—1

First Period: W-Burridge 18 (Lafrate); (sh). Third Period: 2, Washington, Pivonka 10 (Cote); F-Kudelski 36 (Hough). Shots on goal: W (on Vanbiesbrouck) 12-8-6—26. F (on Beaupre) 12-8-10—22.

Hartford	0	0	0	0—0
Detroit	1	2	0	0—3

First Period: D-Lidstrom 8 (Kozlov, Fedorov). Second Period: D-Primeau 19 (Fedorov); D-Kozlov 29 (McCarty, Fedorov). Shots on goal: H (on Osgood) 6-5-6—17. D (on Burke) 17-16-13—46.

Winnipeg	1	1	1	1—4
Chicago	3	3	0	0—6

First Period: C-Chelios 13 (Weinrich, Roenick); (pp). 2, Chicago, Roenick 28 (Weinrich, Chelios); (pp). C-Murphy 22 (sh). W-Selanne 2 (Romanuk, Steen); W-Emerson 24 (Kasparaitis, Tkachuk). Second Period: C-Roenick 30 (Weinrich, Noonan); C-Roenick 31 (Murphy, Kucera); (sh). C-Roenick 32 (Chelios, Belfour). Third Period: W-Romanuk 2 (Gilhen, McBain). Shots on goal: W (on Belfour) 4-9-10—23. C (on Essensa) 13-6-7—26.

Tampa Bay	1	1	2	1—5
Calgary	0	0	0	0—0

First Period: T-Savard 9 (pp). Second Period: T-Bradley 19 (DiMaio, Tocchet). Third Period: T-DiMaio 4 (Bradley). T-Gratton 4 (Craig). Shots on goal: T (on Vanbiesbrouck) 9-8-8—25. C (on Puppa) 9-9-6—24.

SOCCER

INTERNATIONAL FRIENDLY
Mexico 2, Sweden 1
ITALIAN CUP
Sampdoria, Second Leg
Ancona 0, Torino 0
Ancona advances on 1-0 aggregate
SPANISH FIRST DIVISION
Rayo Vallecano 3, Valencia 1
FRENCH FIRST DIVISION
Paris St. Germain 0, Auxerre 0

CRICKET

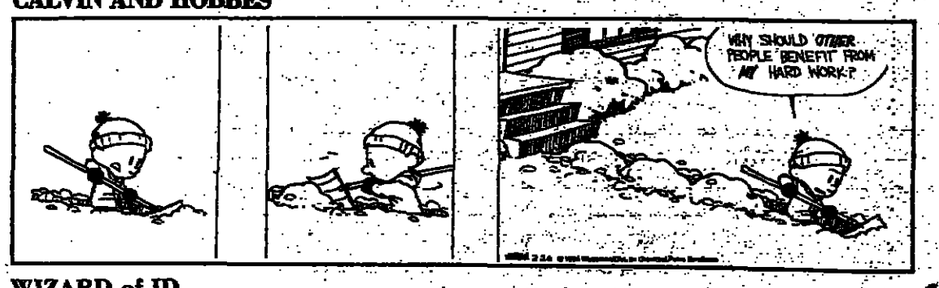
THIRD TEST
Pakistan vs. New Zealand, Second Day
Friday, in Christchurch, New Zealand
Pakistan 1st innings: 344 (77 overs)
New Zealand 1st innings: 280 (66 overs)
Pakistan 2d innings: 8-2 (8 overs)

DENNIS THE MENACE

"LEAVE SOME OF YOU SHOWING THROUGH, MOM."

PEANUTS

CALVIN AND HOBBES



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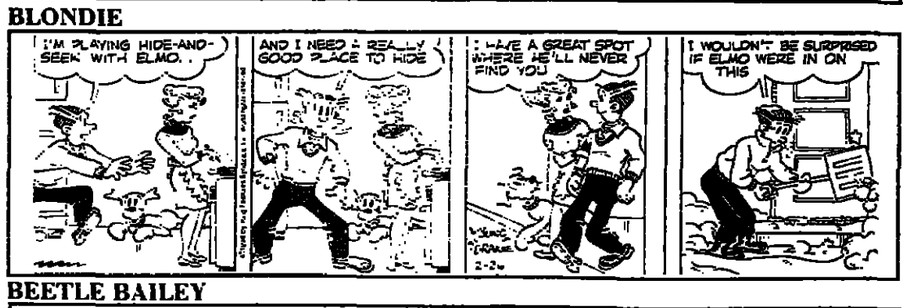

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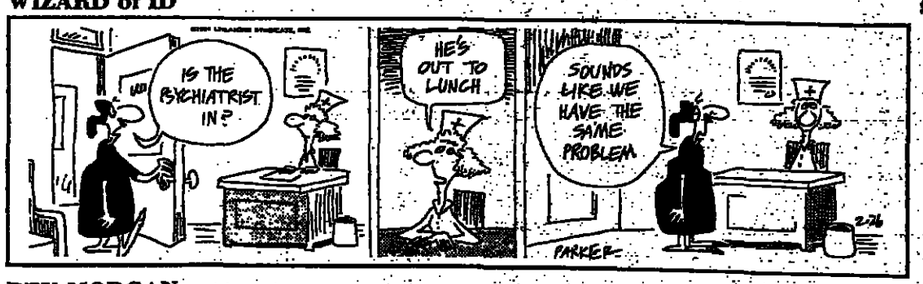

BEETLE BAILEY

REX MORGAN

DOONESBURY

GARFIELD

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ELLAP
TYPAR
SAILEY
SPICET

HOW THE ROOFER TRAINED HIS APPRENTICE.

Now arrange the circled letters to form the surprise answer as suggested by the above cartoon.

Print answer here: ☐☐☐☐ BY ☐☐☐☐☐

(Answers Monday)

Yesterday's Jumbles: AGLOW DOGMA BARREL POLLEN
Answer: What they called the cow in their front yard — A LAWN MOO-ER

SPORTS WINTER OLYMPICS

Olympic TV Schedules and Events

Saturday's Events

All times are GMT

Alpine Skiing — Women's slalom, first run, 0830; second run, 1200.
Biathlon — Men's 4x7.5-kilometer relay, 1200.
Bobsled — Four-man first, second runs, 0900.
Figure Skating — Exhibition, 1400.
Ice Hockey — Seventh place, Germany vs. United States, 1530; fifth place, Czech Republic vs. Slovakia, 1830; bronze medal, Russia-Sweden loser vs. Finland-Canada loser, 2000.
Short-Track Speed Skating — Women's 1,000 meters, 1800; men's 500-meter, 1800; men's 5,000-meter relay, 1800.

Saturday's TV

EUROPE

All times are local

Austria — ORF: 0600-1900, 2135-2355, 2200-2355.
Britain — BBC1: 1145-1715; BBC2: 1715-2040.
Bulgaria — BNT/Channel 1: 1025-1130, 1355-1515, 1630-1800, 1915-1945, 2155-0030; Channel 2: 1700-1740, 20925-2300, 0030-0100.
Croatia — HRT/TV2: 0925-1015, 1255-1800.
Cyprus — CYBC: 1715-1745, 2030-2100, 2230-2300.
Czech Republic — CTV: 0920-1800, 1915-2400; Channel 2: 1920-2400.
Denmark — DR: 1145-1800, 2115-2200, 0023-0138.
Estonia — ETV: 1025-1115, 1350-1800, 2030-2050, 2145-0030.
Finland — YLE/TV1: 2145-0030; TV2: 1300-1800.
France — FR2: 0914-1030, 1535-1700; FR3: 1255-1410, 1535-1700.
Germany — ARD: 0903-1658, 2015-2330.
Greece — ET1: 1230-1300; ET2: 1400-1500, 1600-1800, 1915-1945.
Hungary — MTV/Channel 1: 2005-2020; Channel 2: 1100-1300, 1530-1800.
Iceland — RUV: 0825-0945, 1155-1315, 1355-1600, 1650-1750, 1825-1855, 2250-2350.
Italy — RAI1: 1400-1445; RAI2: 0100-0200; RAI3: 0925-1400, 1455-1700, 1950-2020.
Latvia — LT: 1100-1415, 1915-1945, 0030-0100; Channel 2: 1400-1600.
Lithuania — LRT: 1600-1800, 2130-2150.
Luxembourg — CLT: Highlights on evening news, 1900-2000.
Macedonia — MKRTV/Channel 1: 0825-0945, 1155-1315, 1525-1800, 1825-2100; Channel 2: 0855-1600, 1715-2150, 2230-2300; Channel 3: 1150-1400, 1755-1830, 1950-2230.
Monaco — TMC/IT: 0930-1100, 1145-1925, 2345-0015.
Netherlands — NOS: 0900-1420, 1840-2325.
Norway — NRK: 0900-1800, 2000-0130; TV2: 1455-1700, 1845-1900.
Poland — TVP/PR1: 1245-1345, 1500-1800, 2225-2325; PR2: 0920-1100, 1345-1500, 2000-2100, 2400-0145.
Portugal — TV2: 2300-2320; RTP1: 1100-1120.
Romania — RTVR/Channel 1: 1400-1445, 1550-2000, 0030-0100; Channel 2: 2150-0030.
Russia — RTO: 1655-1900, 2240-0130; RTR: 1450-1700, 2100-2300.
Slovakia — STV/SK: 0600-0830, 0925-1015, 1300-1700, 1815-1845, 1925-2355.
Slovenia — RTVSLO: 0900-1845, 1955-20215, 2030-2335.
Spain — RTVE: 0930-2400 (satellite); TVE2: Starting at 1130.
Sweden — SVT/TV2: 0915-1015, 1245-1500, 2100-2200; Channel 1: 1500-1700, 1915-2100, 2200-2400.
Switzerland — TSR/TSI/DRS: 0930-1700.
Turkey — TRT: 1615-1800, 2000-2100, 2200-0030.
Ukraine — DTRU/UT1: 1330-1800, 1955-2045, 0030-0100; UT2: 1350-1600, 1915-1945.
Eurosport — 0600-continuous coverage.

ASIA/PACIFIC

All times are local.

Australia — Channel 9: 2030-0100.
New Zealand — TV1: 0700-0800, 2130-2400.
Japan — NHK: 2200-2400 (general); 1230-1500, 1800-0630 (satellite); 1300-1500, 1900-2200 (Hi-Vision).
Papua New Guinea — EMTV: 2200-0130.
China — CCTV: 2220-2400, 0010-0110.
Hong Kong — TVB: 2400-0100.
South Korea — MBC: 1400-1700; 0100-0230.
Malaysia — TV3: 2315-0015.
Singapore — SBC/Channel 12: 2400-0100.
STAR TV/Prime Sports — 0600-1330, 1530-continuous coverage.

NORTH AMERICA

All times are EST

Canada — CTV: 1000-1800, 1900-2200.
United States — CBS: 1300-1800, 1900-2300, 2330-0030.
Mexico — Televisa: 1100-1400, 2200-2330

Sunday's Events

All times are GMT

Alpine Skiing — Men's Slalom, first run 0830; second run 1200.
Bobsled — Four-Man, third and fourth runs, 0900.
Cross Country Skiing — 50 km Classical, 0900.
Ice Hockey — Gold Medal, 1415.
Closing Ceremonies — 2100.

Sunday's TV

EUROPE

All times are local

Austria — ORF: 0600-0900, 0920-1830, 1950-2130.
Britain — BBC2: 1030-1230, 1330-1710, 1900-2030.
Bulgaria — BNT/Channel 1: 1030-1200, 1400-1550, 1915-1945, 2100-2230; Channel 2: 1600-1830.
Croatia — HRT/TV2: 0925-1025, 1345-1845, 2000-2130.
Cyprus — CYBC: 1915-1945, 2030-2230.
Czech Republic — CTV: 1010-1345, 1500-1810, 1950-2130, 2320-0005.
Denmark — DR: 0915-1800, 1950-2100.
Estonia — ETV: 1030-1440, 1600-1945, 2100-2230.
Finland — YLE/TV1: 1045-1515, 2045-2215, 2235-2300; TV2: 1555-1930.
France — FR2: Starting at 1820; FR3: 0920-1030, 1300-1800, 2000-2130.
Germany — ZDF: 0915-1815, 1930-2145.
Greece — ET1: 1400-1500; ET2: 1230-1300; 1915-1945, Starting at 2200.
Hungary — MTV/Channel 1: 2200-0100; Channel 2: 1310-1400.
Iceland — RUV: 0825-1045, 1155-1415, 1405-1750, 1825-2030.
Italy — RAI2: 0925-1145, 0115-0200; RAI3: 1145-1545, 2000-2020.
Latvia — LT: 1100-1415, 1915-1945, 2100-2230, 0030-0100.
Lithuania — LRT: 1200-1415, 1600-2040, 2100-2300.
Luxembourg — CLT: Highlights on evening news, 1900-2000.
Macedonia — MKRTV/Channel 1: 0825-1030, 1155-1350, 1715-1745, 1900-2015; Channel 2: 0855-1200, 1405-1740; Channel 3: 0855-1215, 1555-1845.
Monaco — TMC/IT: 0930-1500, Starting at 1515, Starting at 2300.
Netherlands — NOS: 0900-1200, 1300-1800, 2000-2330.
Norway — NRK: 0900-1800, 2000-2115; TV2: 1845-1900.
Poland — TVP/PR1: 1100-1200, 1500-1810, 2000-2115; PR2: 0920-1100, 1200-1330.
Portugal — TV2: 2300-2320; RTP1: 1100-1120.
Romania — RTVR/Channel 1: 1300-1445, 1815-1910, 2100-2215.
Russia — RTO: 1600-1645, 1655-2000, 2330-2400; 1900-2000 (28/2); RTR: 1200-1340, 1420-1530, 2145-2330.
Slovakia — STV/SK: 0600-0830, 0925-1355, 1505-1845, 2000-2115.
Slovenia — RTVSLO: 0900-2130.
Spain — RTVE: 0930-2400 (satellite); TVE2: Starting 1200.
Sweden — SVT/TV2: 0915-1145, 1600-1700, 2000-2115; Channel 1: 1145-1345, 1445-1800, 1700-1800, 1930-2000.
Switzerland — TSR/TSI/DRS: 0930-1830, 2000-2130.
Turkey — TRT: 1615-2000, 2100-2230.
Ukraine — DTRU/UT1: 0930-1000, 1915-1945, 2100-2215; UT2: 1100-1415.
Eurosport — 0600-continuous coverage.

ASIA/PACIFIC

All times are local

Australia — Channel 9: 2030-0100.
New Zealand — TV1: 0700-0800, 2130-2400.
Japan — NHK: 2200-2400, 0400-0600 (general); 1230-1500, 1800-0630 (satellite); 1300-1500, 1900-2200 (Hi-Vision).
Papua New Guinea — EMTV: 1930-2300; 2000-2200 (28/2).
China — CCTV: 1500-1600, 2220-0030; 2300-2400 (28/2).
Hong Kong — TVB: 2400-0100.
South Korea — KBS: 2330-0020; MBC: 1400-1700, 0100-0230.
Malaysia — TV3: 2315-0015.
Singapore — SBC/Channel 12: 2400-0100.
STAR TV/Prime Sports — 0600-0830, 0900-1500, 1530-continuous coverage.

NORTH AMERICA

All times are EST

Canada — CTV: 0900-1500, 1900-2300.
United States — CBS: 0900-1200, 1600-1800, 2000-2300, 2330-0030.
Mexico — Televisa: 1200-1500, 2200-2330.

Information provided by the IOC, TWI, and individual broadcasters; compiled by the IHT

Canada and Sweden Gain Hockey Final

Both Finland And Russia Fall in Semis

Compiled by Our Staff From Dispatches

GJOVIK, Norway — Canada moved to within one game of winning its first Olympic hockey gold medal in 42 years, upsetting previously undefeated Finland, 5-3, on Friday.

The Canadians (5-1-1) advanced to Sunday's gold-medal game against Sweden, which defeated Russia, 4-3, in the night's other game.

Finland (6-1) came into the game against Canada as the only undefeated team in the tournament but blew a 2-0 lead in the second period. The Finns will play the Russians for the bronze medal on Saturday.

Sweden (5-1-1) won silvers in 1928 and 1964 and bronze medals in 1952, 1980, 1984 and 1988. Canada handed Sweden its only loss of these Olympics, 3-2, on Monday.

Todd Hlushko started Canada's comeback with five minutes left in the second period. On a breakaway, he beat goalie Jukka Tammi on the glove side.

Peter Nedved, a contract holdout with the Vancouver Canucks of the National Hockey League this season, tied it for Canada on a power-play goal that hit Finland's Raimo Helminen at 19:24.

Finland had outscored opponents, 31-5, and never trailed in previous games, including consecutive shutouts of Russia and Norway.

Edmonton Oilers defender Brad Werenka, a last-minute addition to the Canadian squad because of poor club form, was the hero of the hour.

He put them into the lead 4:27 into the final period, pushing Greg Johnson's pass from behind the goal high into the Finnish net.

Then, three minutes later, his reverse stick pass inside created the opening for Jean-Yves Roy to fire home a crucial insurance goal.

Greg Parks scored Canada's fifth goal.

Jere Lehtinen scored a late consolation goal for the Finns, but with only 35 seconds left to go it was academic.

As the Finnish players headed for the locker rooms, many of them had tears of frustration running down their faces.

"We were not favorites when we came here," said the coach, Curt Lindstrom. "And maybe people talked too much about us winning the gold."

Linstrom denied that the Finns had choked. "I'm not sure it was nerves," he said. "It was cool tactics from Canada. They played better defensively."

A jubilant Canadian coach, Tom Renney, said: "Put your money on Canada."

"We knew we would have to play our best match of the tournament to beat Finland," he said. "Maybe we did not play our best 60 minutes but we played our best hockey when we had to in the third period."

In the other game, Sweden built a 4-1 lead on two goals by Patrik Juhlin and one each by Magnus Svensson and Jonas Bergqvist before goals 10 seconds apart by Sergei Berezin and Ravil Gusmanov made it close with 1:01 to go.

But Sweden held Russia without a shot on goal for the rest of the game to preserve its first-ever Olympic victory over the Russians.

The Canadians were not among the pretournament favorites. After the Games began, Sweden, Russia and the surprising Finns emerged as favorites.

But now they were in the hunt again, two years after they took the silver for their first medal of any kind in 24 years.

"There's no reason we should look for bronze when in fact the gold medal could be in our grasp," said the coach, Tom Renney.

Finland and Sweden have never won the tournament. Russia had been gunning for its first gold since gaining independence.

History is on Canada's side. Years before the Soviet dynasty began, Canada dominated Olympic hockey. The Canadians won gold in six of the first seven Winter Games. In 1936, they lost just one game en route to the silver.

Canada has come together as a team despite the fact that about half of its 23-man roster was added just days before the Olympics began. The team has eight former NHL players and nine who played at U.S. colleges.

"As the tournament progresses, we've been getting better," said forward Dwayne Norris, who played at Michigan State. "Management felt that the players they brought in were going to help us and they have." *(AP, AFP)*

Juergen Schwarz/Reuters

4 MEN IN A SLED — The top Swiss bobsled team, which is favored to win the gold in the four-man event, during a practice run.

Despite a Cold, Dahlie Says He's Set for Finale

Agence France-Presse

LILLEHAMMER — The Norwegian hero Bjorn Dahlie, the most successful men's cross-country skier in Olympic history, has a cold but is determined to be ready for the 50-kilometer classic race on Sunday.

Dahlie, who has won five Olympic gold medals — two of them here — missed two days' training because of tiredness and a sore throat, according to a team spokesman, Rolf Nordberg.

"He's tired after four races, but it's more mental than physical," Nordberg said. "He wants to be mentally fresh because he's a man who hates to lose and loves to win."

Along with Norway's triple gold medalist from the 1992 Winter Olympics in Albertville, France, Vegard Ulvang, Dahlie will be carrying the hopes of the home crowd in the closing race of these Games.

Ulvang has recovered from the thigh injury that has been dogging him since the national championships in January, but concedes that he is disappointed with his performance here. He came seventh in the opening 30-kilometer race, but missed the next two races.

OLYMPIC SCOREBOARD

MEDALS

COUNTRY	G	S	B	T
Norway	10	11	4	25
Russia	11	7	4	22
Germany	7	7	7	21
Italy	6	3	8	17
United States	6	4	2	12
Canada	3	4	4	11
Switzerland	2	3	2	7
Austria	1	2	4	7
Japan	1	2	2	5
France	0	1	3	4
Netherlands	0	1	3	4
Finland	0	0	4	4
China	0	1	2	3
South Korea	2	1	0	3
Sweden	1	1	0	2
Belarus	0	2	0	2
Kazakhstan	0	2	0	2
Ukraine	1	0	1	2
Uzbekistan	1	0	0	1
Britain	0	0	1	1
Slovenia	0	0	1	1

FRIDAY'S RESULTS
Combined Alpine Skiing
Men's Slalom
G: Lasse Kjus, Norway
S: Kjetil Andre Aamodt, Norway
B: Harald Strand Nilsen, Norway
Speedskating
Women's 5,000 Meters
G: Claudia Pechstein, Germany
S: Gunda Niemann, Germany
B: Hiromi Yamamoto
Ski Jumping
Men's Normal Hill
G: Espen Bredesen, Norway
S: Lasse Ottesen, Norway
B: Dieter Thoma, Germany
Biathlon
Women's 4x7.5 Kilometer Relay
G: Russia (Nadelda Talonova, Natalia Snytina, Louiza Noskova, Anfisa Reztsova), 1:47:19.5 (0)
S: Germany (Ursula Disl, Antje Harvey, Simon Greiner-Petter-Memm, Petra Schaaf), 1:51:16.5 (0)
B: France (Corinne Niogret, Veronique Claudel, Delphyne Heymann, Anne Briand), 1:52:28.3 (1)
Figure Skating
Women's Long Program
G: Oksana Baiul, Ukraine
S: Nancy Kerrigan, United States
B: Chen Lu, China
THURSDAY'S RESULTS
Alpine Skiing
Women's Giant Slalom
G: Deborah Compagnoni, Italy
S: Martina Ertl, Germany
B: Vreni Schneider, Switzerland
Cross Country Skiing
Women's 30 Kilometers
G: Manuela Di Centa, Italy
S: Marit Wold, Norway
B: Marja-Liisa Kirvesniemi, Finland
Freestyle Skiing
Men's Aerials
G: Andreas Schoenbaechler, Switzerland
S: Philippe Laroche, Canada
B: Lloyd Langlois, Canada
Women's Aerials
G: Lina Cherjazova, Uzbekistan
S: Marie Lindgren, Sweden
B: Hilde Synnove Lid, Norway
Nordic Combined
Team
G: Japan (Takanori Kono, Masashi Abe, Kenji Ogiwara)
S: Norway (Knut Tore Apeland, Bjarte Engen Vik, Fred Borre Lundberg)
B: Switzerland (Hippolyt Kempf, Jean-Yves Cuendet, Andreas Schaad)
Speed Skating
Women's 500 Meters
G: Cathy Turner, United States
S: Yanmei Zhang, China
B: Amy Peterson, United States
WEDNESDAY'S RESULTS
Alpine Skiing
Men's Giant Slalom
G: Markus Wasmeier, Germany
S: Urs Kaelin, Switzerland
B: Christian Mayer, Austria
Biathlon
Men's 10 Kilometers
G: Sergei Tchepikov, Russia
S: Ricco Gross, Germany
B: Sergei Tarasov, Russia
Women's 7.5 Kilometers
G: Myriam Bedard, Canada
S: Svetlana Paramygina, Belarus
B: Valentyna Tserbe, Ukraine
Speed Skating
Women's 1,000 Meters
G: Bonnie Blair, United States
S: Anke Baier, Germany
B: Ye Qiaobo, China
TUESDAY'S RESULTS
Cross Country Skiing
Men's 4x10 Kilometer Relay
G: Italy (Maurilio De Zolt, Marco Albarello, Giorgio Vanzetta, Silvio Fauner)
S: Norway (Sture Sivertsen, Vegard Ulvang, Thomas Alsgaard, Bjorn Dahlie)
B: Finland (Mika Myllyla, Harri Kirvesniemi, Jari Rasanen, Jari Isometsa)
Ski Jumping
Large Hill 120-Meter Team
G: Germany (Hansjoerg Jaekle, Christof Duffner, Dieter Thoma, Jens Weissflog)
S: Japan (Jinya Nishikata, Takanobu Okabe, Noriaki Kasai, Masahiko Harada)
B: Austria (Heinz Kuttin, Christian Moser, Stefan Horngacher, Andreas Goldberger)
Speed Skating
Men's 1,000-Meter Relay
G: Ki-Hoon Kim, South Korea
S: Ji-Hoon Chae, South Korea
B: Marc Gagnon, Canada
Women's 3,000-Meter Relay
G: South Korea
S: Canada
B: United States
MONDAY'S RESULTS
Alpine Skiing
Women's Combined
G: Pernilla Wiberg, Sweden
S: Vreni Schneider, Switzerland
B: Alenka Dovzan, Slovenia
Speed Skating
Women's 1,500 Meters
G: Emese Hunyady, Austria
S: Svetlana Fedotkina, Russia
B: Gunda Niemann, Germany
Cross Country Skiing
Women's 4x5 Kilometer Relay
G: Russia (Elena Vaelbe, Larissa Lazutina, Nina Gavriljuk, Lyubov Egorova)
S: Norway (Trude Dybendahl, Inger Helene Nybraaten, Elin Nilsen, Anita Moen)
B: Italy (Bice Vanzetta, Manuela Di Centa, Gabriella Paruzzi, Stefania Belmondo)
Figure Skating
Ice Dancing
G: Oksana Gritschuk, Evgeni Platov, Russia
S: Maia Usova and Alexander Zhulin, Russia
B: Jayne Torvill and Christopher Dean, Britain
SUNDAY'S RESULTS
Men's Biathlon
20 Kilometers
G: Sergei Tarasov, Russia
S: Frank Luck, Germany
B: Sven Fischer, Germany
Bobsled
Two-Man
G: Switz. I (Gustav Weder and Donat)
S: Switz. II (Reto Goetschi and Guido Acklin)
B: Italy I (Gunther Huber and Stefano Ticci)
Ski Jumping
Large Hill 120 Meters
G: Jens Weissflog, Germany
S: Espen Bredesen, Norway
B: Andreas Goldberger, Austria
Speed Skating
Men's 10,000 Meters
G: Johann Olav Koss, Norway
S: Kjell Storelid, Norway
B: Bart Veldkamp, Netherlands
SATURDAY'S RESULTS
Alpine Skiing
Women's Downhill
G: Katja Seizinger, Germany
S: Picabo Street, United States
B: Isolde Kostner, Italy
Cross Country Skiing
Men's 15-Kilometer Free Pursuit
G: Bjorn Dahlie, Norway
S: Vladimir Smirnov, Kazakhstan
B: Silvio Fauner, Italy
Figure Skating
Men's Free Program
G: Alexei Urmanov, Russia
S: Elvis Stojko, Canada
B: Philippe Candeloro, France
Nordic Combined
Individual
G: Fred Borre Lundberg, Norway
S: Takanori Kono, Japan
B: Bjarte Engen Vik, Norway
Speed Skating
Women's 500 Meters
G: Bonnie Blair, United States
S: Susan Auch, Canada
B: Franziska Schenk, Germany
FRIDAY'S RESULTS
Biathlon
Women's 15 Kilometers
G: Myriam Bedard, Canada
S: Anne Briand, France
B: Ursula Disl, Germany
Luge
Men's Doubles
G: Kurt Brugger and Wilfried Huber, Italy
S: Hansjorg Raffl and Norbert Huber, Italy
B: Stefan Krausse and Jan Behrendt, Germany
Speed Skating
Men's 1,000 Meters
G: Dan Jansen, United States
S: Igor Zhelezovsky, Belarus
B: Sergei Klevchenya, Russia
THURSDAY'S RESULTS
Alpine Skiing
Men's Super-Giant Slalom
G: Markus Wasmeier, Germany
S: Tommy Moe, Palmer, Alaska
B: Kjetil Andre Aamodt, Norway
Cross Country Skiing
Men's 10 Kilometers
G: Bjorn Dahlie, Norway
S: Vladimir Smirnov, Kazakhstan
B: Marco Albarello, Italy
Women's 10-Kilometer Pursuit
G: Lyubov Egorova, Russia
S: Manuela Di Centa, Italy
B: Stefania Belmondo, Italy
Speed Skating
Women's 3,000 Meters
G: Svetlana Bazhanova, Russia
S: Emese Hunyady, Austria
B: Claudia Pechstein, Germany
WEDNESDAY'S RESULTS
Freestyle Skiing
Men's Moguls
G: Jean-Luc Brassard, Canada
S: Sergei Shoupletsov, Russia
B: Edgar Grospiron, France
Women's Moguls
G: Stine Lise Hattestad, Norway
S: Liz McIntyre, United States
B: Elizaveta Kojevnikova, Russia
Luge
Women's Single
G: Gerda Weissensteiner, Italy
S: Susi Erdmann, Germany
B: Andrea Tagwerker, Austria
Speed Skating
Men's 1,500 Meters
G: Johann Olav Koss, Norway
S: Rintje Ritsma, Netherlands
B: Falko Zandstra, Netherlands
TUESDAY'S RESULTS
Alpine Skiing
Women's Super-Giant Slalom
G: Diann Roffe-Steinrotter, U.S.
S: Svetlana Gladischeva, Russia
B: Isolde Kostner, Italy
Cross Country Skiing
Women's 5 Kilometers
G: Lyubov Egorova, Russia
S: Manuela Di Centa, Italy
B: Marja-Liisa Kirvesniemi
Figure Skating
Pairs, Freestyle Program
G: E. Gordeeva and S. Grinkov, Russia
S: N. Mishkutienok and A. Dmitriev, Russia
B: I. Brasseur and L. Eisler, Canada
MONDAY'S RESULTS
Cross Country Skiing
Men's 30 Kilometers
G: Thomas Alsgaard, Norway
S: Bjorn Dahlie, Norway
B: Mika Myllyla, Finland
Luge
Men's Singles
G: Georg Hackl, Germany
S: Markus Prock, Austria
B: Armin Zoggeler, Italy
Speed Skating
Men's 500 Meters
G: Aleksandr Golubev, Russia
S: Sergei Klevchenya, Russia
B: Manabu Horii, Japan
SUNDAY'S RESULTS
Alpine Skiing
Men's Downhill
G: Tommy Moe, United States
S: Kjetil Andre Aamodt, Norway
B: Edward Podivinsky, Canada
Cross Country Skiing
Women's 15 Kilometers
G: Manuela Di Centa, Italy
S: Lyubov Egorova, Russia
B: Nina Gavriluk, Russia
Speed Skating
Men's 5,000 Meters
G: Johann Olav Koss, Norway
S: Kjell Storelid, Norway
B: Rintje Ritsma, Netherlands

COMBINED

MEN'S COMBINED ALPINE SKIING COMBINED RESULTS (slalom runs in parentheses)—1, Lasse Kjus, Norway, (1:36.95, 1:40.58), 3 minutes, 17.53 seconds; 2, Kjetil Andre Aamodt, Norway, (1:37.49, 1:41.06), 3:18.55; 3, Harald Strand Nilsen, Norway, (1:39.05, 1:40.09), 3:19.14; 4, Guenter Mader, Austria, (1:38.46, 1:40.77), 3:19.23; 5, Tommy Moe, United States, (1:37.14, 1:42.27), 3:19.41; 6, Paul Accola, Switzerland, (1:39.41, 1:40.03), 3:19.44; 7, Mitja Kunc, Slovenia, (1:40.01, 1:39.54), 3:19.55; 8, Fredrik Nyberg, Sweden, (1:38.40, 1:41.90), 3:20.30; 9, Marc Girardelli, Luxembourg, (1:37.61, 1:42.86), 3:20.47; 10, Jure Kosir, Slovenia, (1:42.17, 1:38.41), 3:20.58.

11, Miran Ravter, Slovenia, (1:38.88, 1:41.80), 3:20.68; 12, Steve Locher, Switzerland, (1:39.34, 1:41.87), 3:21.21; 13, Tobias Hellman, Sweden, (1:40.25, 1:41.49), 3:21.74; 14, Tobias Barnerssoi, Germany, (1:40.56, 1:41.93), 3:22.49; 15, Gianfranco Martin, Italy, (1:38.84, 1:43.85), 3:22.69; 16, Kristian Ghedina, Italy, (1:38.14, 1:45.03), 3:23.17; 17, Marcel Sulliger, Switzerland, (1:39.30, 1:44.78), 3:24.08; 18, Atle Skaardal, Norway, (1:38.18, 1:46.10), 3:24.28; 19, Lyubomir Popov, Bulgaria, (1:42.41, 1:42.63), 3:25.04; 20, Simon Wi Rutene, New Zealand, (1:41.88, 1:43.60), 3:25.48.

21, Mika Marila, Finland, (1:45.01, 1:40.51), 3:25.52; 22, Janne Leskinen, Finland, (1:38.88, 1:46.65), 3:25.53; 23, Gregor Grilc, Slovenia, (1:45.61, 1:40.42), 3:26.03; 24, Achim Vogt, Liechtenstein, (1:38.53, 1:47.70), 3:26.23; 25, Javier Ubeira, Spain, (1:42.78, 1:44.14), 3:26.92; 26, Peter Ditchev, Bulgaria, (1:42.41, 1:46.20), 3:28.61; 27, Marcin Szafranski, Poland, (1:43.82, 1:47.45), 3:31.27; 28, Vicente Tomas, Spain, (1:44.32, 1:47.29), 3:31.61; 29, Andrei Kolotvine, Kazakhstan, (1:41.14, 1:53.45), 3:34.59; 30, Attila Bonis, Hungary, (1:43.85, 1:50.91), 3:34.76.

31, Kyle Rasmussen, United States, (1:36.96, 2:00.58), 3:37.54; 32, Diego Margozzini, Chile, (1:45.07, 1:57.32), 3:42.39; 33, Marco Buechel, Liechtenstein, (1:40.82, 2:07.03), 3:47.85; Zurab Jilishvili, Georgia, DNF; Mariano Puricelli, Argentina, DNF; Vasily Bezsmelnizin, Russia, DNF; Alexis Racloz, Chile, DNF; Andrei Filichkin, Russia, DNF; Ed Podivinsky, Canada, DNF; Cary Mullen, Canada, DNF; Christian Mayer, Austria, DNF; Takuya Ishioka, Japan, DNF; Patrik Jaerbyn, Sweden, DNF; Alessandro Fattori, Italy, DNF; Gerard Escoda, Andorra, DNF; Kiminobu Kimura, Japan, DNF; Jean-Luc Cretier, France, DSQ; Ovidio Garcia, Spain, DSQ; Nils Linneberg, Chile, DSQ.

SPEED SKATING

WOMEN'S 5,000 METERS—1, Claudia Pechstein, Germany, 7 minutes, 14.37 seconds; 2, Gunda Niemann, Germany, 7:14.88; 3, Hiromi Yamamoto, Japan, 7:19.68; 4, Elena Belci, Italy, 7:20.33; 5, Svetlana Bazhanova, Russia, 7:22.68; 6, Ludmila Prokasheva, Kazakhstan, 7:28.58; 7, Carla Zijlstra, Netherlands, 7:29.42; 8, Seiko Hashimoto, Japan, 7:29.79; 9, Miki Ogasawara, Japan, 7:30.47; 10, Annamarie Thomas, Netherlands, 7:32.39.

11, Tonny De Jong, Netherlands, 7:36.87; 12, Emese Hunyady, Austria, 7:38.62; 13, Tatiana Trapeznikova, Russia, 7:40.55; 14, Cerasela Hordobetiu, Romania, 7:41.65; 15, Emese Antal, Austria, 7:46.78; 16, Ingrid Liepa, Canada, 7:49.39.

SKI JUMPING

MEN'S NORMAL HILL EVENT—1, Espen Bredesen, Norway, 100.5 meters, 104.0, 282.0 points; 2, Lasse Ottesen, Norway, 102.5, 98.0, 268.0; 3, Dieter Thoma, Germany, 98.5, 102.5, 260.5; 4, Jens Weissflog, Germany, 98.0, 96.5, 260.0; 5, Noriaki Kasai, Japan, 98.0, 93.0, 259.0; 6, Jani Markus Soininen, Finland, 95.0, 100.5, 258.5; 7, Andreas Goldberger, Austria, 98.0, 93.5, 258.0; 8, Jinya Nishikata, Japan, 99.0, 94.0, 253.0; 9, Takanobu Okabe, Japan, 95.0, 95.5, 252.0; 10, Christian Moser, Austria, 92.0, 95.0, 246.0.

11, Gerd Siegmund, Germany, 94.5, 92.0, 243.0; 12, Stefan Horngacher, Austria, 94.5, 94.5, 242.5; 13, Jaroslav Sakala, Czech Republic, 86.5, 94.5, 235.0; 14, tie, Nicolas Dessum, France, 95.5, 88.0, and Robert Meglic, Slovenia, 93.0, 88.5, 233.0; 16, Ari-Pekka Nikkola, Finland, 90.0, 89.0, 231.0; 17, Didier Mollard, France, 91.5, 90.0, 230.0; 18, Christof Duffner, Germany, 88.5, 92.5, 229.5; 19, tie, Jiri Parma, Czech Republic, 92.0, 87.0, Matjaz Kladnik, Slovenia, 92.5, 87.5, and Roberto Cecon, Italy, 90.5, 88.5, 226.5.

22, Nicolas Jean-Prost, France, 89.5, 89.0, 224.5; 23, Mikael Martinsson, Sweden, 87.0, 90.0, 222.5; 24, Andrei Verveikin, Kazakhstan, 85.0, 92.0, 221.5; 25, tie, Heinz Kuttin, Austria, 89.5, 82.0, Sylvain Freiholz, Switzerland, 94.0, 79.5, and Martin Svagerko, Slovakia, 81.5, 90.0, 213.0; 28, Samo Gostisa, Slovenia, 86.5, 85.5, 210.0; 29, Wojciech Skupien, Poland, 84.5, 86.5, 206.5; 30, Janne Vaeaetaeinen, Finland, 89.5, 80.5, 206.0.

31, Ivo Pertile, Italy, 89.5, 80.0, 204.5; 32, Ivan Lunardi, Italy, 84.0, 84.5, 198.5; 33, John Langlois, United States, 87.5, 78.0, 197.0; 34, Staffan Taellberg, Sweden, 81.0, 82.0, 195.5; 35, Robert Holme, United States, 83.0, 82.0, 195.0; 36, Zbynek Krompolc, Czech Republic, 86.0, 75.5, 189.5; 37, Janne Petteri Ahonen, Finland, 88.0, 73.0, 186.0; 38, Alexander Sinlavski, Belarus, 81.0, 76.5, 179.0; 39, Bolm Myrbakken, Norway, 87.0, 84.5, 177.5; 40, Martin Trunz, Switzerland, 88.5, 68.5, 175.0.

41, tie, Dejan Jekovec, Slovenia, 74.0, 82.0, and Stanislav Pokhilko, Russia, 81.0, 74.0, 174.0; 43, Fredrik Johansson, Sweden, 86.5, 70.0, 173.0; 44, Raymond Weber, United States, 77.0, 78.0, 170.5; 45, Alexei Solodyankin, Russia, 75.0, 78.5, 168.0; 46, Alexander Kolmakov, Kazakhstan, 78.5, 73.5, 165.5; 47, Steeve Delaup, France, 74.5, 79.0, 162.5; 48, James Holland, United States, 77.5, 71.0, 158.0; 49, Kairat Biekenov, Kazakhstan, 79.0, 69.0, 157.5; 50, Kakha Tsakadze, Georgia, 75.5, 71.0, 156.5.

51, Miroslav Slusny, Slovakia, 80.5, 64.5, 152.0; 52, Oeyvind Berg, Norway, 89.0, 59.0, 149.5; 53, Magnus Westman, Sweden, 78.5, 67.5, 148.0; 54, Dmitry Chelovenko, Russia, 68.0, 72.5, 136.5; 55, Masahiko Harada, Japan, 92.0, 54.5, 125.5; 56, Vasyl Gryvbovich, Ukraine, 64.0, 59.0, 102.0.

Ladislav Dluhos, Czech Republic, DSQ; Mikhail Yessine, Russia, DSQ.

FIGURE SKATING

WOMEN'S FINAL RESULTS (after free skating program)—1, Oksana Baiul, Ukraine, 2.0; 2, Nancy Kerrigan, United States, 2.5; 3, Chen Lu, China, 5.0; 4, Surya Bonaly, France, 5.5; 5, Yuka Sato, Japan, 8.5; 6, Tanja Szewczenko, Germany, 8.5; 7, Katarina Witt, Germany, 11.0; 8, Tonya Harding, United States, 12.0; 9, Josee Chouinard, Canada, 13.0; 10, Anna Rechnio, Poland, 16.5; 11, Krisztina Czako, Hungary, 17.0.

12, Mila Kajas, Finland, 18.0; 13, Lenka Kulovana, Czech Republic, 19.5; 14, Marie-Pierre Leray, France, 20.0; 15, Charlene Von Saher, Britain, 22.5; 16, Nathalie Krieg, Switzerland, 24.5; 17, Laetitia Hubert, France, 25.0; 18, Rena Inoue, Japan, 27.0; 19, Elena Liashenko, Ukraine, 27.5; 20, Marta Andrade, Spain, 31.5; 21, Lily Lee, South Korea, 32.0; 22, Lyudmila Ivanova, Ukraine, 32.5; 23, Liu Ying, China, 33.5; 24, Zvetelina Abrasheva, Bulgaria, 35.0.

WOMEN'S FREE SKATING—1, Oksana Baiul, Ukraine, 1.0; 2, Nancy Kerrigan, United States, 2.0; 3, Chen Lu, China, 3.0; 4, Surya Bonaly, France, 4.0; 5, Yuka Sato, Japan, 5.0; 6, Tanja Szewczenko, Germany, 6.0; 7, Tonya Harding, United States, 7.0; 8, Katarina Witt, Germany, 8.0; 9, Josee Chouinard, Canada, 9.0; 10, Mila Kajas, Finland, 10.0; 11, Krisztina Czako, Hungary, 11.0; 12, Anna Rechnio, Poland, 12.0.

13, Marie-Pierre Leray, France, 13.0; 14, Lenka Kulovana, Czech Republic, 14.0; 15, Laetitia Hubert, France, 15.0; 16, Charlene Von Saher, Britain, 16.0; 17, Nathalie Krieg, Switzerland, 17.0; 18, Rena Inoue, Japan, 18.0; 19, Elena Liashenko, Ukraine, 19.0; 20, Lily Lee, South Korea, 20.0; 21, Marta Andrade, Spain, 21.0; 22, Liu Ying, China, 22.0; 23, Lyudmila Ivanova, Ukraine, 23.0; 24, Zvetelina Abrasheva, Bulgaria, 24.0.

BIATHLON

WOMEN'S 4x7.5-KILOMETER RELAY (penalties in parentheses) — 1, Russia (Nadelda Talanova, Natalia Snytina, Louiza Noskova, Anfisa Reztsova), 1:47:19.5 (0); 2, Germany (Ursula Disl, Antje Harvey, Simon Greiner-Petter-Memm, Petra Schaaf), 1:51:16.5 (0); 3, France (Corinne Niogret, Veronique Claudel, Delphyne Heymann, Anne Briand), 1:52:28.3 (1); 4, Norway (Ann-Elen Skjelbreid, Annette Sikveland, Hildegunn Fossen, Elin Synnove Kristiansen), 1:54:08.1 (0); 5, Ukraine (Valentyna Tserbe, Maryna Skolota, Olena Petrova, Olena Ogurtsova), 1:54:26.5 (1); 6, Belarus (Irina Kokoueva, Natalia Permiakova, Natalia Ryzhenkova, Svetlana Paramygina), 1:54:55.1 (0).

7, Czech Republic (Jana Kulhava, Jirina Pelcova, Iveta Knizkova, Eva Hakova), 1:57:00.8 (0); 8, United States (Beth Coats, Joan Smith, Laura Grover-Tavares, Joan Guetschow), 1:57:35.9 (0); 9, Sweden (Eva-Karin Westin, Catarina Eklund, Maria Schylander, Helene Dahlberg), 1:58:07.2 (0); 10, Finland (Katja Holanti, Tuija Sikioe, Mari Lampinen, Tuija Vuoksiala), 1:58:55.7 (0); 11, Poland (Anna Maria Stera, Helena Mikolajczyk, Agata Suszka, Halina Piton), 1:59:18.1 (2); 12, Estonia (Jelena Vsivtseva, Eveli Peterson, Krista Lepik, Merle Viirmaa), 1:59:30.4 (1).

13, Bulgaria (Maria Manolova, Nadejda Alexieva, Katerina Dafovska, Iva Chkodreva), 2:00:16.2 (0); 14, China (Liu Guilian, Song Aiqin, Wang Jinping, Wang Jinfen), 2:01:08.8 (1); 15, Canada (Jane Isakson, Myriam Bedard, Kristin Berg, Lise Meloche), 2:02:22.7 (3); 16, Romania (Adina Sotropa, Corina-Mihaela Carstol, Ana Roman, Ileana Ianosiu-Hangan), 2:02:36.8 (1).

HOCKEY

FRIDAY'S RESULTS
Canada 5, Finland 3
Russia 3, Sweden 4
Semifinal
Finland 0 2 1—3
Canada 0 2 3—5

First period—None. Penalties—Raimo Helminen, Fin (slashing); Janne Laukkanen, Fin (tripping); Brad Werenka, Can (holding).

Second period—1, Finland, Saku Koivu (Ville Peltonen); (pp). 2, Finland, Esa Keskinen (Hannu Virta); 3, Canada, Todd Hlushko (Fabian Joseph); 4, Canada, Peter Nedved,(pp). Penalties—Ken Lovsin, Can (holding); Adrian Aucoin, Can (unsportsmanlike); Mika Stroemberg, Fin (unsportsmanlike); Marko Kiprusoff, Fin (high-sticking).

Third period—5, Canada, Brad Werenka (Greg Johnson, Paul Kariya); 6, Canada, Jean Roy (Brad Werenka, Derek Mayer); (pp). 7, Canada, Greg Parks, 8, Finland, Jere Lehtinen (Mika Nieminen, Esa Keskinen); Penalties—Derek Mayer, Can (high-sticking); Janne Ojanen, Fin (holding); Esa Keskinen, Fin (high-sticking).

Shots on goal—Finland 6-16-11—33. Canada 5-12-16—33. Goalies—Finland, Jukka Tammi (33 shots-28 saves). Canada, Corey Hirsch (33-30).

Semifinal
Russia 1 0 2—3
Sweden 2 1 1—4

First period—1, Sweden, Magnus Svensson (Jonas Bergkvist, Peter Forsberg); 2, Sweden, Patrik Juhlin (Peter Forsberg, Roger Hansson); 3, Russia, Andrei Tarasenko,(pp). Penalties—Georgi Evtyukhin, Rus (high-sticking); Magnus Svensson, Swe (holding).

Second period—4, Sweden, Jonas Bergkvist (Peter Forsberg, Hakan Loob); (pp). Penalties—Alexei Kudashov, Rus (tripping); Roger Johansson, Swe (slashing); Daniel Rydmark, Swe (hooking); Alexander Vinogradov, Rus (roughing); Hakan Loob, Swe (unsportsmanlike).

Third period—5, Sweden, Patrik Juhlin (Mats Naslund); 6, Russia, Sergei Berezin (Sergei Sorokin); Russia, Ravil Gusmanov (Alexei Kudashov); Penalties—Roger Hansson, Swe (tripping); Peter Forsberg, Swe (holding).

Shots on goal—Russia 7-5-9—21. Sweden 8-6-4—18. Goalies—Russia, Andrei Zuev (18 shots-14 saves). Sweden, Tommy Salo (21-18).

SPORTS WINTER OLYMPICS

Bump-and-Protest Speed Skating? IOC Says Knock It Off

Compiled by Our Staff From Dispatches

HAMAR — Short-track speed skating and all the havoc that came with it during the Games are flying toward a day of reckoning with the International Olympic Committee.

On Friday, the president of the IOC, Juan Antonio Samaranch, called for a report from the International Skating Union on the series of unseemly incidents, including two nights of protests, veiled threats of violence and stripped-away medals.

China filed a formal protest with the ISU that Cathy Turner of the United States deliberately interfered with Zhang Yanmei to win the women's 500-meter event.

> **'Obviously they're making a huge deal out of it because they didn't win.'**
>
> **Cathy Turner, gold medalist**

Zhang claimed that Turner grabbed her leg as she skated by on the outside with one and a half laps left in the four-and-a-half-lap race, throwing Zhang off balance and costing her the gold medal.

The Chinese woman stormed off the medals stand and disgustedly threw a congratulatory bouquet of yellow tulips on the ice in protest.

Also Friday, the IOC said it was not happy with Zhang's behavior.

"That, on television, was not something that pleased the IOC at all," said the IOC public relations director, Andrew Napier.

Among other speed-skating incidents in these Games:

- China was disqualified from the women's 3,000-meter relay because judges observed the skater Yang Yang lingering on the ice after a tag so she could interfere with an American racer. China was stripped of a silver medal and the United States got the bronze medal despite finishing last in the four-team race.

The disqualification came 20 minutes after the race was announced as official. Spectators were not informed of the ruling even during the awards ceremony.

- Nicholas Gooch of Britain and Derrick Campbell of Canada were disqualified in the men's 500-meter event, so the bronze went to Marc Gagnon of Canada even though he did not skate in the championship race. Campbell was disqualified for not finishing his race even though the bell that was supposed to signal the final lap was rung a lap early.
- Turner and Wilf O'Reilly of Britain both said they were forced by officials to race with skates damaged in collisions, risking injuries to themselves and others.
- The Canadian skater-coach Nathalie Lambert accused Turner of being "the dirtiest skater in short-track," an overly aggressive competitor who cheapens the sport by resorting to any tactic to win. Lambert was eliminated in a qualifying heat after colliding with Turner.

"Everybody's afraid of her. She never gets disqualified," Lambert said. "She makes our sport look like Roller Derby. I hope she gets what she deserves." Asked what that was, she said, "Something bad."

- Turner said she watches her skates for fear of sabotage.

As for the incident in the race Thursday, she said: "I don't know what's going on. I just know everybody's mad at me. I won. I earned that. If it was the other way around, I wouldn't be mad at anybody. That's the way the sport is. It's not something you intend to do."

With two laps remaining Thursday, Turner made her move on the outside. She and Zhang remained shoulder-to-shoulder for half a lap before Turner pulled ahead in the backstretch.

The replay was unclear. Zhang did appear to lose her balance momentarily, but it was not apparent that Turner had grabbed her leg.

"Maybe I hit her leg or something when I put my hand to the ice," Turner said. "I was clearly in the lead. I don't see how I could have reached out and grabbed her."

Turner shrugged off Lambert's criticism as sour grapes.

"Obviously they're making a huge deal out of it because they didn't win," Turner said. "Those girls elbow me in the gut all the time. I don't do anything about it."

Samaranch also has asked for details of the semifinal heat in which Turner, Lambert and Ayako Tsubaki of Japan fell but were allowed to reskate the race. Lambert tumbled during the reskate and was eliminated.

The Canadian team told the IOC in a letter to the ISU president, Olaf Poulsen, that it had "serious concerns" about the quality of short-track judging and called for improvements "in the interest of the sport's integrity."

Short-trackers race four at a time around a 112-meter oval. The skaters are often close to each other, one hand down to the ice for balance in the turns. Bumping and spills are common.

(AP, Reuters, NYT)

Paul Vrecker/Agence France-Presse

Zhang Yanmei of China, right, leaving the awards podium in protest after receiving the 500-meter short-track silver medal. She claimed that Cathy Turner, left, knocked her off balance to win the gold. In the middle is the bronze medalist, Amy Peterson.

■ It's Honor for Mongolia

Mongolia's one-man Olympic team will make the long journey home without a medal but with 48.63 seconds of memories, The Associated Press reported.

Bat-Orgil Batchuluun finished four seconds behind the other two skaters in his short-track speed skating 500-meter heat and was eliminated, but not without fanfare and a loud farewell.

Batchuluun drew a loud ovation before his race and an even bigger one when his time was announced as a national record. Wearing a blue-and-purple racing suit donated by a manufacturer, Batchuluun waved to the crowd and raised his arms to celebrate.

Three weeks ago, Batchuluun, 25, was training in Germany when he was told his qualifying times were too slow. He took an eight-day train ride home, only to learn he had a spot due to North Korea's decision not to enter.

Pechstein Tops Niemann to Win Gold in 5,000

Compiled by Our Staff From Dispatches

HAMAR — No more gold for Gunda Niemann.

The powerful German was upset by her teammate Claudia Pechstein in the women's 5,000-meters speed-skating event, the third disappointment in as many races for Niemann in her last Olympics.

Pechstein, who won a bronze when Niemann fell last week in the 3,000 meters, shaved 19.21 seconds off her personal best time to win the first gold of her career.

"Everything went as I had hoped it would," Pechstein said. "I am very happy."

She finished in 7 minutes, 14.37 seconds, just .24 seconds off the Olympic record set by Yvonne van Gennip of the Netherlands in 1988 and 1.08 seconds off the world record Niemann set on the same ice in December.

Niemann, a double-gold medalist in the 3,000 and 5,000 in the 1992 Games, skated two pairs after Pechstein and was ahead of her own world-record pace for nine of the first 10 laps.

But she tired badly over the final three laps to finish in 7:14.88.

Pechstein, 21, embraced her coach, Joachim Franke, after Niemann crossed the finish line and glided past her celebrating teammate with hands on her knees and her head bowed.

Pechstein and Niemann embraced several minutes later and skated a lap hand-in-hand, Niemann carrying a bouquet.

Hiromi Yamamoto of Japan won the bronze in 7:19.68, and 11 of the 16 skaters set personal records at the Viking Ship Olympic Hall.

The last long-track speed skating event of the Games provided the final heartache for Niemann.

Niemann, 27, who added a 1,500 silver to her two golds in 1992, came into the Olympics as the most dominant woman in the 1,500, 3,000 and 5,000, owning the world record in the two longer distances and the best time among current skaters in the 1,500.

She won the 5,000 on the way to her fifth European championship last month. She also has been world champion three times and was the World Cup 5,000 champion in 1992-93. And she leads the current World Cup standings in the 1,500, 3,000 and 5,000.

Three gold medals at Lillehammer would have given Niemann five career golds, tying her with Bonnie Blair of the United States for the second-most women's victories in the Winter Games. The Soviet speed skater Lydia Skoblikova and Russian cross-country skier Lyubov Egorova — who won three golds this year — each have six Olympic golds.

But Niemann lost that opportunity in her first race with a stunning fall early in the 3,000, then skated tentatively to barely win a bronze in the 1,500 on Monday.

Niemann almost didn't get a chance to race Friday. Only the top 16 finishers in the 3,000 qualified for the longer race, and Niemann raced in the spot of teammate Heike Warnicke, who was 15th in the 3,000.

The women's 5,000 has been an Olympic event only since 1988, and the Germans have dominated. The former East German teammates Andrea Ehrig and Gab Zange finished two-three in 1988, and Niemann, Warnicke and Pechstein completed a German sweep in 1992.

Germany had the distinction of winning six medals and being on every podium in the five women's events.

(AP, AFP)

Kerrigan: Steady As She Went

An Unswerving Composure Grew Out of the Dark Blow

By Ira Berkow
New York Times Service

Vantage Point

HAMAR — It began serenely. Nancy Kerrigan commenced her training session in the Olympic Amphitheater, skating in a black leotard and with a dark, dancing ponytail to a Neil Diamond medley.

It was the background music and the skating routine she was to use Friday, a night on which she can win the Olympic gold medal. Just her being here seemed beyond imagination to many just seven weeks ago, when she was stalked and clubbed on the knee.

Now she spun, soared, floated — and received polite applause from the scattering of onlookers. She smiled, but it was hardly a genial smile. In first place following the first of the two-day competition, Kerrigan appeared to be saying that she meant business.

On the ice with her were the other five top finishers from Wednesday's short program. They would stay on the periphery until their turn to skate their routines.

As Kerrigan's flashing blades swept her smoothly across the oval, someone suddenly screamed. Everyone stopped, except Kerrigan.

At the side of the rink, two skaters had collapsed. Oksana Baiul of Ukraine and Tanja Szewczenko of Germany moaned, the German doubled over and holding her stomach.

The two, warming up and skating backward, had collided. Katarina Witt swiftly skated over to offer aid. Surya Bonaly and Lu Chen stood nearby, frozen.

Kerrigan, glancing over her shoulder for a moment, took it in and sailed into the next part of her routine.

While Baiul left the ice on her own power, Szewczenko had to be helped by her doctor and coach. Strikingly, Kerrigan kept on.

"The routine was perfect," said Ben Wright. "Her concentration was unswerving." Wright is a retired figure-skating judge and referee. "If she skates like this tomorrow, she'll win the gold."

Wright is from Boston, where he has watched Kerrigan since, he said, she was a child.

"I see a resolve, a fortitude in her that I have never seen before," he said. "You can see the determination in her eyes. She has really matured, and I think it's been mainly since the incident."

When Kerrigan was clubbed, there were pictures of her slumping to the floor, crying, "Why? Why me?" This refrain echoed through the weeks and gave to some degree the sense that Kerrigan was a helpless victim. She has proved anything but that.

Under pressure that would have daunted a lesser athlete, perhaps a lesser person, Kerrigan executed a near-perfect routine Wednesday, closer to perfection than any of her rivals, including her American teammate, the lady in red, Tonya Harding, who placed 10th.

As the world knows, Harding's former husband, Jeff Gillooly, has confessed to having planned the attack. He also has accused Harding of complicity and giving the go-ahead to the plan to eliminate her main rival. Harding denied it and has not been charged.

Kerrigan, meanwhile, has never spoken negatively about Harding in public, though it is clear she possesses something less than love for her. Kerrigan has demonstrated, too, that she is no fragile, trembling Snow White on skates.

"The attack made Nancy mad," Evy Scotvold, her coach, said after practice. "She was angry that someone prevented her from defending her national title. And she's angry that someone tried to keep her from the Olympics."

After the clubbing, he said, Kerrigan was not sure how well she would heal, if she would be able to skate again, or well enough to satisfy the U.S. Olympic Committee.

"She became impassioned," said Scotvold "She started training harder than I have ever seen her. She knows what to do and how to do it. She's digging in."

Kerrigan has had a reputation for folding after the first day's competition, for losing focus, for lack of confidence — a fear of failure.

"What she did Wednesday gives her the knowledge that she can do the same in the long program," he said. "She's confident."

If Kerrigan had withdrawn into herself after the attack, saying she had lost heart, it would have been understandable. Monica Seles, who was stabbed in a attack, has been unable to return to competition.

But no matter how it came out, Nancy Kerrigan had already performed remarkably, on and off the ice. The lady is a champ.

Ed Reinke/The Associated Press

Nancy Kerrigan performing Friday night on the way to a silver.

SKATE: *Baiul Overtakes Kerrigan for the Gold Medal*

Continued from Page 1

Thursday, Baiul had collided with another 16-year-old, Tanja Szewczenko of Germany. Baiul required three stitches in her right shin, and more significantly, suffered an injury to her lower back. Olympic doping controls prevented her from taking painkillers.

Just 43 kilograms (95 pounds) and 1.59 meters tall, she appears fragile and light, weighed down by her thick brown hair and beige, seemingly oversized skates. Her makeup only emphasizes the girl trying to become a woman. She has done so without her father, her mother and her grandmother. If the injuries of Thursday were enough to set her off, she also is well-used to overcoming much greater losses.

As the scores were announced that shifted her to the top in place of Kerrigan, she fell sobbing into the arms of her coach, Galina Zmievskaya, who basically is the only woman left for her.

But first, if these Olympics have been shaped by Harding's entourage, then the climactic night could not survive without her remarkable input. Performing second among the third group of skaters — the group preceding Kerrigan's — Harding's name was announced to the crowd, which found itself applauding an empty rink. Tonya was not ready. She was given two minutes to appear and she arrived with less than a half-minute remaining, squeezing asthma spray into her mouth, then bending down to tie her skate.

She skated toward center ice, clasping her hands and shaking them in front of her, as if in prayer. It was both dramatic and unimportant, since she was 10th after the technical phase.

Her music began, the theme from "Jurassic Park," deep in bass and ominous as she skated backwards toward her opening triple-lutz. She leaped and completed one revolution, landing spread eagle on both feet, 45 seconds into her program. She came out of her spin crying, her face driven to a frown, and this will be the sour image that will survive her.

She skated directly over to the judges to complain as the music continued without her. Eventually they announced a problem with her skate and their decision — which was booed — to allow her to perform her program at the end of her group.

She skated it fairly cleanly, allowing her to move up two places overall, but the most important result was that Kerrigan was forced to watch her from the waiting pit. Later, when Kerrigan came out for her own program, a stuffed bear wrapped in a cellophane bag — meant for Chen — almost hit Kerrigan, and she looked up angrily for a moment.

The overwhelming hype applied to the Kerrigan incident came into focus as she performed to a medley of Neil Diamond hits. She did not match the hype, though no one expected that from her. Her program was sound but uninspiring.

Baiul did not complete a combination, but she danced to a medley of show tunes with everything in her lithe body. With each victorious landing her face seemed to explode in surprise. Her federation had said that she would not decide whether to skate until shortly before the competition began. In the morning practice, she had failed to complete her long program.

To watch her was to imagine that every problem emphasizes her loneliness and eventually strengthens her. Her life, which she declines to discuss, seems to play before you with each performance. Her father abandoned her when she was 2, and she was raised by her grandmother and mother. Everyone important to her died over a five-year period ending in 1991, when her mother succumbed to cancer. When her coach left for a better life in Canada, Baiul was rescued by Zmievskaya at the advice of Victor Petrenko, the 1992 Olympic figure skating champion. Zmievskaya basically has adopted her, and skating, it seems, is Baiul's means of forgetting the pain.

By the time she was done, the audience seemed spent — by Tonya, by Nancy, by this tragic dynamo. Baiul was first on five of the nine judge's cards, but that could change with a strong performance by Bonaly. But early in her program she double-footed a single jump meant to be a triple, and she was uncharacteristically wobbly from that point on. What began as an opportunity to crown the first black Olympic figure-skating champion ended with her tumbling to the ice.

Her place on the podium was seized by Chen, who on this tense evening was smoother than all but those who finished ahead of her. The evening ended, anticlimactically, with Witt having to touch a hand to the ice twice. Her program, dedicated to Sarajevo, the site of her first Olympic championship, seemed more powerful in design than any of her competitors' programs played out as it was to the anti-war song, "Where Have All The Flowers Gone?"

But this was a night beyond design, when an orphan's will was stronger than the most sensational television script.

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SPORTS WINTER OLYMPICS

In Stunning Style, Norway Makes It a Golden Day on Slopes

Bredesen Sets Hill Record To Finish First in Ski Jump

Compiled by Our Staff From Dispatches

LILLEHAMMER — The Norwegian ski jumper Espen Bredesen, the last-place "Eagle of Albertville," swooped down the Lillehammer normal hill on Friday to land the Olympic hosts yet another gold medal.

Lifted by the roar of the crowd of 30,000, Bredesen set a hill record of 104 meters on his second ski jump for a clear point victory over his young teammate, Lasse Ottesen.

Dieter Thoma of Germany claimed bronze, but the veteran Jens Weissflog, who defeated Bredesen on the high hill and propelled the Germans to gold in the team event, had to settle for fourth place in his last Olympic appearance.

"It was real revenge," Bredesen crowed.

It was a remarkable Olympic turnaround for Bredesen, who finished last on the normal, or 90-meter, hill at Albertville two years ago and third from the last on the high hill after failing to master the V-style jumping technique that was then revolutionizing the sport.

The performance earned him the nickname "Espen the Eagle," after Britain's happy loser from the 1988 Calgary Games, Eddie (The Eagle) Edwards.

Bredesen put all that behind him on Friday, taking a point lead over Ottesen in the first jump of 100.5 meters and three of five perfect 20s for technique.

Jumping last in the second round and with Ottesen still the one to beat, Bredesen pulled off the biggest jump of the day. His 104-meter jump earned him 142 points for a total of 282 against Ottesen's 268 and Thoma's 260.5.

"Lasse and I talked a lot between the jumps, we told each other to be aggressive, to try as hard as we can and that one of us was going to make it," Bredesen said.

Bredesen said the cheers of the crowd — buoyed by the earlier clean sweep by Norway in the Alpine combined event — had helped him focus on the jump.

His coach, Trond Joeran Pedersen, said the team had done a better job keeping Bredesen's morale up between the jumps than in last Sunday's high-hill competition.

"It was so exciting I almost had a heart attack," Pedersen added. "The two of them have made a spectacular effort."

"This competition went much better for me than the large hill — it was perfect," Bredesen said. "I was a little bit late with my takeoff in the first jump."

"I don't remember my second takeoff," he said, "but I was much more aggressive and when I was in the air I felt that it could be a long jump."

Michael Lecke/Reuters

Lasse Kjus of Norway passing a gate Friday during the second heat of the combined slalom on the way to the gold medal.

At 26, Bredesen says he does not expect to jump at another Olympics, although he will continue on the World Cup circuit at least until the end of this season.

Instead, he says, he intends to pursue another sporting ambition: to become the first man to ski jump more than 200 meters in a so-called "ski flying" competition.

For 29-year-old Weissflog, who won his first gold on the normal hill of Sarajevo in 1984 and then went 10 years without any further Olympic medals, Friday's competition was definitely an Olympic farewell.

A victory would have put the German alongside the Finnish great, Matti Nykanen, the only ski jumper to win four Olympic golds and a silver.

With Bredesen casting off the Eagle nickname, ski-jump pundits soon found another athlete for the role.

Masahiko Harada, whose second jump in Tuesday's team event cost his team the gold medal, reached a creditable 98 meters on his first jump down the 90-meter hill but lost his balance and tumbled to earth after just 54 meters on the second. He was placed second to last of the 56 finishers.

(Reuters, AP)

For Tomba, 'Headache' And Stress

The Associated Press

OYER, Norway — The upset in the Olympic giant slalom has caused Alberto Tomba a bad headache.

And the Italian skier said Friday he still feels uneasy, with Sunday's slalom his last Olympic chance.

Tomba, a three-time Olympic champion, explained that he was stressed, following his failure in Tuesday's event and had been bothered by rumors that he might split with his long-time personal coach, Gustavo Thoeni.

"I had a bad headache Thursday, possibly the result of the stress from the giant slalom defeat and from the pressure I'm feeling," said Tomba, tarnishing his reputation of self-confident joker.

The Italian star, 27, missed a gate in Tuesday's giant slalom as well as a chance of winning an unprecedented fourth Olympic title.

He still can set the landmark in the slalom on Sunday, the closing day of the Olympics.

"I was in a better form than in Albertville prior to Tuesday's race," said Tomba, rejecting suggestions that he did not train properly before the giant slalom.

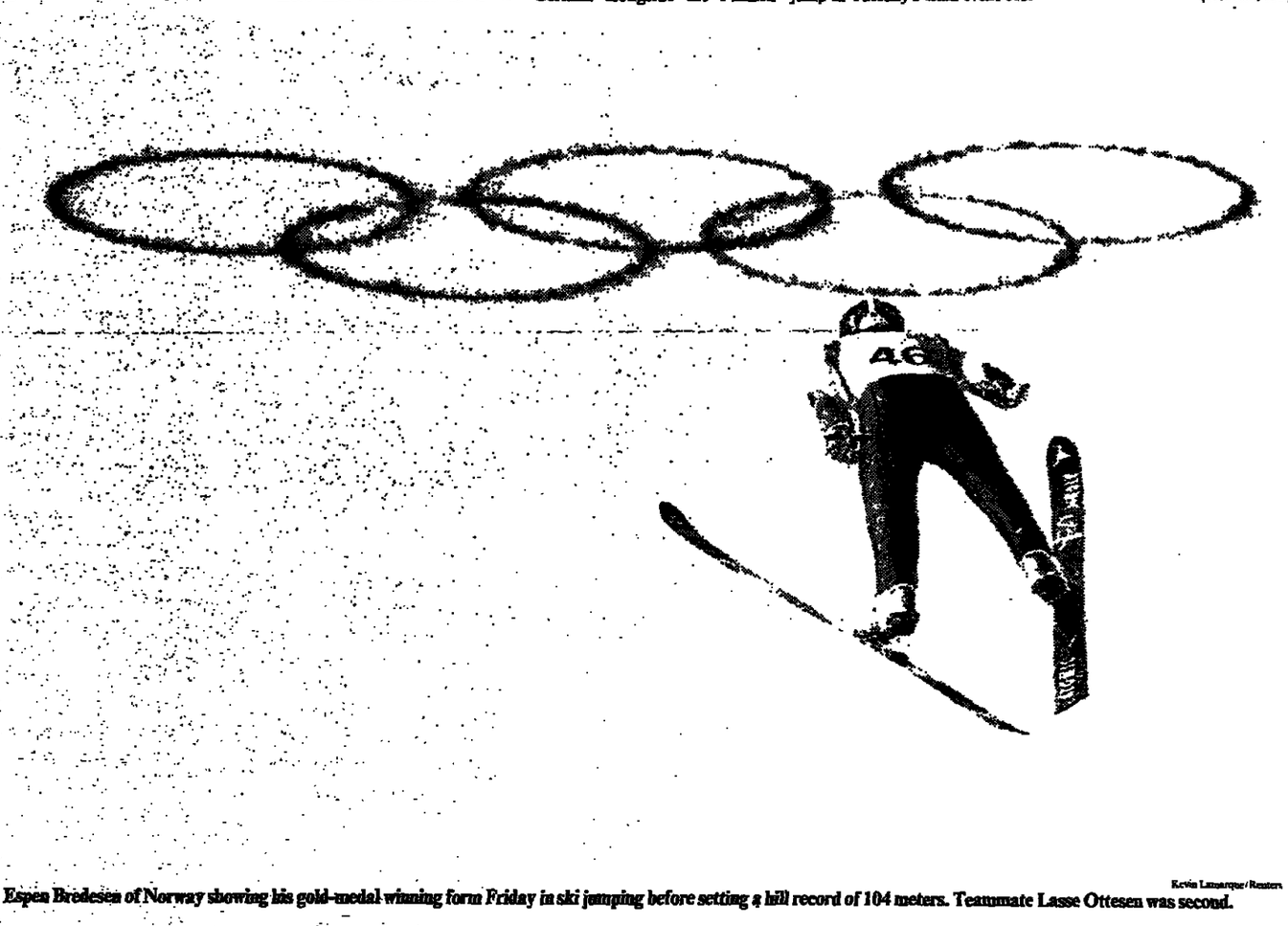
In Albertville in 1992, Tomba won the giant slalom title and captured silver in the slalom.

Tomba also denied that relations had grown tense with Thoeni, a four-time overall World Cup champion who has been coaching Tomba for several years.

Thoeni noted with some humor, after Tomba's failure this week, that he expected to be dismissed "as they usually do soccer coaches after a defeat."

But Tomba said: "Perhaps Gustavo fears to be fired, and this is not the case. I plan to continue our cooperation although I am an adult and I could continue by myself."

For Sunday's race, despite the absence of super-giant slalom and giant slalom gold medalist Markus Wasmeier, Tomba is wary of other Germans, citing Armin Bittner and Peter Roth. He also named Thomas Stangassinger of Austria and Tomas Fogdoe of Sweden as skiers to watch.



Kevin Lamarque/Reuters

Espen Bredesen of Norway showing his gold-medal winning form Friday in ski jumping before setting a hill record of 104 meters. Teammate Lasse Ottesen was second.

Sweep in Alpine Combined Puts the Crowds in Frenzy

By Angus Phillips
Washington Post Service

LILLEHAMMER — Norwegians worry. They worried particularly about coming up short in prestigious alpine skiing events as hosts of the 17th Winter Olympics, so they hired Austrian coaches and upped the alpine training budget to over $2 million this year.

Still, things weren't going well, with only Kjetil Andre Aamodt's two medals — a silver in downhill and bronze in Super G — to show for the first 11 days of competition.

But their concerns were swallowed in happy song Friday when Norwegians swept all three combined downhill medals on the slalom run at Hafjell, giving the home team five medals in alpine skiing with two events to go and 25 medals overall in these Olympics — the most of any nation in the Games.

The stunning alpine triumph marked the first home-team sweep of a winter event since Japan did it in ski jumping at Sapporo in 1972, and 30,000 flag-waving Norwegians were on hand to celebrate in frosty, colorful style.

"*Seier'n er Var!*" sang the fans, serenading gold medalist Lasse Kjus and his two teammates at the finish while the three skiers danced in their ski boots with women in traditional country garb, then threw flowers to the crowd. The lilting song means "We are the victors," said Dora Sofie Kittilsen, a volunteer Olympic worker moved to tears by the jubilation.

With the hillside and stands packed almost exclusively with Norwegians who expected gold, the celebration went on a while, and at some point choruses and bands were singing and playing conflicting tunes and the slopes echoed with a musical chaos.

Kjus, second-place Aamodt and surprise bronze medalist Harald Christian Strand Nilsen had to knock a pair of Americans off to get to the top. Kyle Rasmussen and Tommy Moe stood second and third after the downhill portion of the two-day event was completed 11 days ago, but neither is a slalom specialist and both had their hands full when the action shifted to the twisting, turning plunge through gates.

Moe fared well enough with an excellent first run to hang onto third place. But he fell to fifth when he was overtaken on the second run by Nilsen and slalom specialist Günter Mader of Germany.

Still, it was a satisfying conclusion to a most rewarding Olympics for Moe, who won the downhill gold on the first full day of competition, then came back to take the silver in Super G four days later. He has never won a race in world competition before.

Moe, whose agent back home is busy negotiating for a Nintendo downhill ski game named after his newly famous client, said, "I never skied slalom this good before." The 24-year-old Alaskan had just five days to practice on gates after failing to post a slalom result all season.

After his stellar first run Friday, Moe said the only way he could hang on for a medal was "to ski my brains out" next time down. He very nearly did, completing the run only 5/100ths of a second slower than Aamodt, a slalom expert.

Rasmussen fared less well. He skidded off the course on his first run and had to climb back up the hill and rerun a gate to stay in the race, ending up 17 seconds behind the leaders. His second run was clean and he celebrated with a 360-degree, full-speed spin while twirling his ski poles as he crossed the line.

That theatrical gesture was sadly lost on the crowd, which was mobbing the Norwegian heroes while keeping an eye on a screen at the foot of the mountain that played video coverage of the ski jump finals, where Norwegians wound up gold and silver winners.

More roars went up as the jumpers brought their medals home, and Norwegian faces up and down the hill lit with delight.

Kjus was simply relieved. He said the pressure on Norwegians alpinists to produce here was intense, particularly in light of newspaper articles criticizing the burgeoning budget for the alpine team.

"The public doesn't understand it's not that easy to win in alpine," said Kjus. "It's not like cross-country, where you can train hard and get to form. In alpine, so many things have to be right."

So they went for Kjus and Aamodt, who are called "The Dream Team" by the local press, but for all the wrong reasons. Both are absent-minded, and on Friday, Kjus admitted that the twin medalists both forgot their credentials to get into the athlete's area at Hafjell and had to make an emergency car run back home to fetch them.

While the top-five finish pleased Moe, it left the U.S. team still shy of the one medal it needs to match its best alpine Olympic showing ever. With two golds and two silvers, the Americans need any medal to get to five — the magic number skiers brought home from the 1984 Games at Sarajevo.

The last best hope is slalom specialist Julie Parisien in Saturday's women's event. Parisien had four top-five slalom finishes in 1992-'93, including a World Cup win, but has struggled all year.

IOC Will Match All Athletes' Aid Donations

Reuters

LILLEHAMMER — The International Olympic Committee said Friday that it was stepping up Sarajevo aid donations in order to defuse a dispute with a Norwegian charity.

The IOC said it would match all charity donations by Olympic athletes in Lillehammer, although its share would go solely to help people in the Bosnian capital, which was the host of the 1984 Games.

"We'll give more than we originally announced we were going to," said an IOC spokesman, Andrew Napier. "During these particular Games, Sarajevo has been on everybody's minds because it's 10 years ago."

While the IOC wants to focus only on Sarajevo, many athletes are giving money through Olympic Aid, a charity that divides donations between Sarajevo, Eritrea, Afghanistan, Guatemala and Beirut.

The Norwegian speed skater Johann Olav Koss, who won three gold medals, last week triggered an IOC offer to match athletes' donations to Sarajevo when he said he was giving a $30,000 victory bonus to Olympic Aid. The IOC's original statement meant it would only contribute $6,000 to match the sum donated by Koss. But Friday's revised offer meant the IOC would now match Koss' full donation.

Good to Outshine Evil In the Closing Dazzle

Reuters

LILLEHAMMER — Lillehammer plans a sparkling, symbolic end to a dazzling Winter Olympics.

A forest full of light, thousands of twinkling battery flashlights in the Olympic arena and a blazing firework display will combine at Sunday's closing ceremony to symbolize the triumph of good over evil.

Gruesome giant trolls and evil Nordic sprites will stalk the stage before good spirits gain the upper hand in a fairy-tale artistic ending to Norway's highly successful 16-day sporting extravaganza.

Do the organizers have a surprise or two in store?

"Sure we do," said the ceremony spokeswoman, Nora Ibsen. But she wouldn't give too much away.

They will have to go a long way to match the spectacular opening ceremony stunt when a ski jumper leaped into the arena bearing the Olympic torch. The emphasis will still be on blending Norway's rich folk heritage with the broadcasting demands for a visual feast. The budget for the two ceremonies is nearly $13 million.

This time, the athletes' procession will be a casual affair and the whole ceremony is to last just an hour. The party may last longer.

After the athletes' parade and before the artistry begins, a six-member environmental expedition will set off for Japan on dogsleds bearing a message for the next winter host, Nagano.

The Arctic journey, using no motorized transport, will take 18 months. The message urges Nagano to follow Lillehammer's lead in taking the environment into consideration.

After speeches from the Games president, Gerhard Heiberg, and the International Olympic Committee president, Juan Antonio Samaranch, the Olympic flag will be lowered and the fairy tale will begin.

Evil spirits will pour into the snowy arena and, joined by enormous trolls, drive the good spirits away.

"That will be quite an eerie feeling," Ibsen said.

But the good guys recover their courage and use mirrors to direct light at baddies, the one thing that can finish them.

Forty thousand spectators will switch on flashlights to add to the glare and to remind the world about Sarajevo, Olympic host 10 years ago and devastated by the evil of war.

Each of the torches bears the inscription "Remember Sarajevo."

Looking ahead, linking Lillehammer to Nagano, a Japanese woman will enter the arena to the sound of a solitary Oriental flute before thousands of lights are lit in the surrounding forest, spectators flash their flashlights and fireworks erupt.

Lasers will spell out the message: "See you in Nagano 1998."

In Upset, Russians Win 30K Biathlon

The Associated Press

LILLEHAMMER — Russia capitalized on poor shooting by a German racer to win the women's 30-kilometer relay Friday for its third biathlon gold medal in the Winter Olympics.

The Russian quartet of Nadejda Talanova, Natalia Snytina, Louiza Noskova and Anfisa Rezisova had a winning time of 1 hour, 47 minutes, 19.5 seconds. All four shot clean, hitting every target in the event that combines marksmanship and cross-country skiing.

Germany, the pretrace favorite, finished 3:57 behind for the silver medal. France, which won the relay in the 1992 Albertville Games when women's biathlon was added to the Olympics, was 5:08.8 behind for the bronze.

Norway was fourth, Ukraine fifth and Belarus sixth.

The Germans led the Russians by 1:12.2 after the second leg. But on the third leg, Simone Greiner-Petter-Memm choked at the shooting range. She first missed three shots at the prone stage, meaning she had to ski three 150-meter penalty laps.

Greiner-Petter-Memm blew it again at the next range, missing three targets at the standing position that forced her to ski three more penalty laps.

The German anchor, Petra Schaaf, shot cleanly on the last leg to overtake France for the silver medal. Schaaf and Anne Briand checked in simultaneously at the second range, but the Frenchwoman missed one target and was forced to ski one penalty loop.

"I've never shot so badly before in my life," a tearful Greiner-Petter-Memm said at the finishing area. "I'm ashamed."

The other Russian biathlon triumphs at Birkebeineren stadium came in the men's events. Sergei Tarasov won the 20-kilometer and Sergei Tchepikov took the 10-kilometer sprint.

The U.S. team finished eighth out of the 17 teams, a significant improvement over its 15th place in 1992. They came in 10:16 behind the Russians, but ahead of Sweden and Finland, both of whom defeated them in Albertville.

Myriam Bedard of Canada had won gold medals in both individual women's biathlons here, but her less proficient teammates gave her no chance of winning a relay medal. Canada finished 15th, more than 15 minutes behind the Russians.

Anja Niedringhaus/Agence France-Presse

Louiza Noskova of Russia pressing onward Friday in the 30-kilometer relay to help her team outpace the Germans by nearly four minutes and win her country's third biathlon gold. France finished third.

OLYMPIC NOTEBOOK

Compiled by Our Staff From Dispatches

● No, apparently it won't snow at the closing ceremony Sunday. A Games spokesman, Tor Aune, said the sunny weather, which returned after clouds Thursday, would continue until the end of the Olympics.

"We decided this morning that the snow will fall on Monday," he said.

● So when it's all over and the snow settles back in, 350 of the 550 organizers of the Games face unemployment. About 100 people on the organizing committee will return to jobs they had before the Games, while another 100 have found new work.

● Norwegian fans warm up with music and gymnastics while they brave icy temperatures before the ski races start. They sing along to a tune known to English speakers as "Land of Hope and Glory" and then the illuminated results board instructs: "Stamp your feet. Clap your hands. Hug yourself. Kiss a Swede. Kiss anyone!"

They get right into the spirit, but one young volunteer repelled advances by saying: "No, not me. I'm not a Swede."

● This from behind the scenes: The U.S. figure skater Tonya Harding, who sold her Olympic story to the U.S. television program "Inside Edition," said on the show that she had given her rival, Nancy Kerrigan, a long-promised hug at the draw for the free program.

U.S. officials said they had not seen the encounter, but Harding said Kerrigan received the embrace coolly. "I was trying to be very sincere," Kerrigan said. "I mean, I still consider her a friend and a teammate."

● Japan's cross-country skiers got the royal treatment after bringing their country its first gold medal of the Games.

Prince Mikasa, a cousin of Emperor Akihito, was there for the cross-country final Thursday in the team Nordic combined event. The prince and his wife are in Norway to promote friendly relations between Tokyo and Oslo.

"I found out after the race that he was there," said Masahi Abe, one of the team's three members. "But I'm happy he came to cheer us."

● Norwegian nordic combined coach Jan Erik Aalbu has called for a change in nordic combined rules to give more weight to the cross-country ski phase. Japan's victory in the team competition was virtually guaranteed by a good ski-jumping performance, which gave them a five-minute head start in the 3x10 kilometer relay.

"When one has time to eat five hot dogs and drink two Coca-colas before the next cross-country runner sets out, there is something very wrong," Aalbu said.

● Thank you and good-bye. Markus Wasmeier has packed up his two alpine skiing gold medals and flown home to Bavaria.

Wasmeier, who won the super-giant slalom and the giant slalom, was 20th in the downhill leg of the alpine combined, so he decided to skip the second slalom stage. He had already surpassed all expectations with his two victories.

(Reuters, AFP, AP)

DAVE BARRY

The British Menace

MIAMI — I wish to discuss a serious threat to U.S. national security now being posed by a foreign brassiere.

It's called the "Wonderbra." I found out about it via an article in The New York Times written by Emily Prager, who comes right out and states that she does not have any cleavage ("I have no cleavage" are her exact words).

This is why she was interested in the Wonderbra, which is apparently a legend in the fashion community. It has been manufactured and sold for more than 30 years in Great Britain, where it is extremely popular because it makes women appear to have a larger, more uplifted set of fashion accessories.

The Wonderbra is not yet sold in the United States, but it will be soon, so Emily Prager got hold of one and took it out for a test drive. Her goal, which she freely admits, right in The New York Times, was to get men to talk to her breasts — not in the sense of walking up to them and saying, "Hi! How do you breasts like this weather we're having?"; but in the sense of talking to her while looking down at her breasts, the way guys often do, as though the breasts had urgent safety information written on them.

□

This is why life is so complicated for men in the 1990s. On the one hand, if you DO look at a woman's breasts while you talk to her, she could conclude that you're a Neanderthal, testosterone-oozing slimebag or a U.S. senator, and she could call the police, and you could end up being arrested for Sexual Harassment and Being a Creep. On the other hand, if you DON'T look at her breasts, it could turn out that she's a reporter for The New York Times, and you are actually hampering her efforts to carry out her journalistic duties, which are protected by the U.S. Constitution, which means you could wind up in federal prison awaiting trial on charges of Failure to Take a Gander.

It is not easy being a guy.

Emily Prager did eventually get a man to talk to her breasts ("The Wonderbra and I had done our work," she reports). I am not surprised. Males have a lot of trouble not looking at breasts. What is worse, males cannot look at breasts and think at the same time.

I've been aware of this ever since my early adolescence, when my friends and I would spend hours gaping idiotically at pictures of breasts in somebody's older brother's collection of Playboy magazines, which were always stored under his mattress. (The primary cause of spinal problems in American males is that they spent their formative years sleeping on piles of Playboys.) What was ironic about those magazines was that they also contained endless droning essays by Hugh Hefner outlining the various tenets of the intellectual philosophy of the Playboy Man; meanwhile, several pages away, the Playboy Man, who was actually in ninth grade, was staring at the various tenets of Miss August with lust-engorged eyeballs and a functional IQ in the rutabaga range.

So we have three facts to consider:

1. Breasts make men stupid.
2. The Wonderbra makes breasts even more noticeable.
3. The Wonderbra is coming here.

This is very bad for the United States. Look at what happened to Great Britain. At one time, there was no Wonderbra, and Great Britain ruled the richest and most powerful empire on Earth. Now, there is a Wonderbra, and Great Britain is a pathetic shrunken nation with an economy based almost entirely on selling blurred photographs of Princess Diana working out.

Coincidence? I think not.

□

Imagine what will happen to the United States if large numbers of American women start using the Wonderbra. It will be catastrophic. The male half of the population will be nothing but mindless drooling Zombies of Lust.

What can we do about this threat? A nuclear strike against Great Britain would probably be overreacting at this point. A better idea would be to send over a delegation of top leaders to look into the Wonderbra, so to speak, and if we don't hear from them in a week, then we launch a nuclear strike. That is my primary recommendation. My secondary recommendation is that this delegation, with all due respect, should NOT include the president.

Knight-Ridder Newspapers

Shakespeare's Iambs to Pinter's Pauses

International Herald Tribune

LONDON — The risks of performing with children and dogs are well documented, but only an actress as daring as Fiona Shaw would battle an alarmingly mobile eight-ton cast iron set on the stage of the National Theatre. And, of course, win.

The play, which ends its run this week, is "Machinal," a 1928 Expressionist drama by an American, Sophie Treadwell, ex-

MARY BLUME

humed by New York's Public Theatre in 1990. Shaw took it on because she felt called to when asked in the space of one week to play in two different London productions. She chose the National Theatre and director Stephen Daldry.

"I was very glad to do it with Stephen, I mean really glad to do it with him because it needs an enormous treatment to make sense of it. The text can be very dangerous, it could easily, given the wrong treatment, have turned into stream-of-consciousness babble."

Shaw, Daldry and designer Ian MacNeil have probably got more out of the play than it contains. Its central character is an Everywoman, Miss A., trapped in an inhuman mechanized world, out of touch with it and with herself. It is the story, Treadwell wrote, of a woman who murders her husband — "an ordinary woman, any woman." At the literally hair-raising end, Shaw dies onstage in the electric chair.

"Machinal" can be taken as a feminist text, though not by Shaw. "Ten years ago it undoubtedly would have been, it has to do with the times." Nearly 10 years ago she was at the RSC militating for more directing jobs for women: good directors are good directors, she says, but at the time there was a balance to redress.

"I don't mean that feminism achieved its goals in any way, if I knew what those goals were. I don't think things have changed enormously in 10 years but the focus on the language of differentiation seems to have become irrelevant."

Tall at 5 feet 9, with a rangy tennis player's build, Shaw is a supple conversationalist who quotes Noël Coward's Judith Bliss and the Paris feminist writer Hélène Cixous ("The problem with the French is that they forgive Orestes too much") and argues plausibly that the best line in Shakespeare is Charmian's "Ah! soldier," at the end of "Antony and Cleopatra." She was talking between the matinee and evening performances of "Machinal" when a more cautious star would lie in a darkened room with an ice bag and a steak.

A few days earlier she had been in New York for a long weekend of shopping and lecturing on theatrical language from

Neil Libbert

Fiona Shaw: Most people think "the poetry carries itself and I don't think it does."

Shakespeare's iambs to Pinter's pauses. The next day she would fly to her native Cork to give prizes at a drama school and spend the night with her parents, and the day after she had a public reading of Pope's "The Rape of the Lock," which had slipped her mind ("just a little thing").

The next days would bring the end of "Machinal," a lecture for American students, an overnight stay in a convent to write a Lenten talk, the giving of a drama prize. She was about to rehearse a reading of another Treadwell play, "For Saxophone," and a production with Deborah Warner of Beckett's "Footfalls" was, in her word, imminent.

"I'm doing too much. I am, I am. I am doing too much," she said. At the Royal Academy of Dramatic Art she refused to abandon her Irish accent knowing with her fine ear that she would lose rich speech rhythms and the strong native "r" that English actors have to struggle for. "If you drop the 'r' when you have the 'r,' it is a foolish thing to do," she said in fine Wildean cadence.

"You don't hold onto an accent, it holds onto you. It's only if you do something about it that it goes away. I refuse to do something about it because I think you lose your soul if you do that."

At 35, Shaw is the strongest actor around. Some audiences, used to diluted performing, feel she goes over the top. "I don't think it's going over the top in that I know precisely where it is and it's been monitored very precisely. I think all I'm doing is tracking the imaginative reality of it. The physical realism that I am going to match the poetry with, most people don't bother about. They think the poetry carries itself and I don't think it does."

She was raised happily in a home where everyone was always performing; her father, an eye surgeon, knew everyone in Cork and her mother predicted, rightly, that she would lose her boyfriend if she kept beating him at tennis. It was neighborly and calm: the sort of atmosphere that makes adventure seem plausible and unthreatening. She went to college before drama school because her parents wanted her to and studied philosophy because it guaranteed she would never find a job. "I found it very helpful subsequently because it's very good for assessing the minutiae of text, the syntax of text."

Shaw graduated from RADA in 1982 with a gold medal and bicycled to an audition for "Wozzeck" with a young director named Deborah Warner who had founded a company called Kick and had coolly called RADA to suggest they send their best student around.

"I cycled over and had to bring my bike in because I was nervous about it and Deborah just laughed. I remember her laughing. I would have taken anything, so I ended up playing this woman who talks to the moon."

Then the two fell out. Shaw went on to a brilliant career in classical comedy (first she was the new Maggie Smith, then the new Vanessa Redgrave, then in films the new Meryl Streep) and after six years Warner and Shaw were brought together by the RSC for a mighty "Electra" in 1988, followed by an equally powerful "Hedda Gabler." Warner then shot "Hedda" for television in a week and, says Shaw, had the hang of it by Wednesday even if the first scenes were a bit off. They plan to film "Measure for Measure" together in one of the grayer parts of East Berlin or maybe on a mountain in Spain.

They work in exceptional balance. "Deborah is very still and calm and I suffer from multifarious but rather dislocated ideas. She sort of grows them: She picks the ones that inspire her and really works them."

Shaw may get back to classical comedy if Warner does "The Way of the World." "But she's so perverse, Deb. She wanted to reverse the sexes which means I would get to play Mirabell, the one person who isn't funny." Shaw would also like another crack at "Much Ado About Nothing" because she feels the pain in Beatrice has never been tapped:

"I think that's something I learned from Deborah. An often not-mined vein, the vein of vulnerability, is the greatest vein of access to characters, not their strength. Beatrice has the wit and joy, but it would be marvelous to get to that other bit on which the wit sits."

After what she calls a jokey film career that included "Three Men and a Little Lady" and "Super Mario Bros," Shaw plans to play Mrs. Lowderin "The Wings of the Dove" and Clytemnestra, or Nestra as she will alarmingly be called, in David Rudkin's script, "The Fire in the Womb."

From the start, Shaw says, she wanted to act more than anything in the world without even knowing what acting was. She has the occasional dream of living in the country with four children, dogs and an Aga cooker but it is clear that those heady three hours of intense onstage reality and the feeling of safety up there are not easily abandoned. Nor is the sense of risk.

"I sort of feel that once you've harnessed yourself to somebody or something, you might as well go down in the ship with them, too. This 'Machinal' was headed for catastrophic failure and I was quite thrilled by it, not because I wanted it to fail but because I knew that, phoenixlike, its redemption would lie very near its failure."

PEOPLE

28-Year-Old American Buys Onassis Yacht

A 28-year-old New Hampshire money manager paid $2.2 million for the yacht Christina, a floating palace once owned by Aristotle Onassis. Alexander Blastos bought the 325-foot (100-meter) yacht from the Greek government and plans to spend $40 million to refurbish it for his own use and for limited charters on the Aegean Sea. Onassis died in 1975 and willed the yacht to his daughter, Christina, who gave it to the Greek government.

□

More than 100 horses that nearly starved to death at farms owned by fashion heir Paolo Gucci have been sold for more than $1 million to a Colorado rancher. The judge who presided over Gucci's contentious divorce case approved the sale of the 113 Arabians to Morningstar Farms and said profits from the sale would be used to pay expenses incurred in rescuing the horses. Several horses died of starvation at the farms owned by Gucci, who lives in England with a former stable hand and their infant daughter.

□

Police are investigating a burglary at Prince Charles' personal apartment in London's St. James Palace. Cufflinks, tiepins and several other small personal items were stolen, a Buckingham Palace spokesman said.

□

A Los Angeles judge has thrown out a lawsuit against Bette Midler and the makers of the 1991 film "For the Boys," concluding that the movie was not based on the life of entertainer Martha Raye, who had filed the $5 million breach of contract suit.

□

Garrett Morris, one of the original "Not Ready for Prime Time Players" on the "Saturday Night Live" television show, was shot and critically wounded Thursday during a holdup attempt on a street in Central Los Angeles, police said. Morris, 57, underwent surgery at an Inglewood hospital, where doctors said he was expected to survive the gunshot wounds in his chest and arm.

INTERNATIONAL CLASSIFIED
Appears on Pages 8 & 11

WEATHER

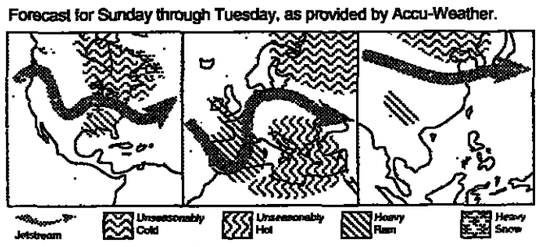
Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	18/64	8/46	c	17/62	9/48	pc
Amsterdam	9/48	2/35	r	11/52	4/39	r
Ankara	7/44	-3/27	sh	11/52	2/35	pc
Athens	16/61	8/46	pc	18/64	10/50	s
Barcelona	19/66	10/50	pc	16/61	7/44	pc
Belgrade	8/46	1/34	pc	14/57	3/37	s
Berlin	2/35	-1/31	sn	8/46	2/35	sh
Brussels	11/52	4/39	sh	11/52	2/35	r
Budapest	5/41	-1/31	pc	9/48	2/35	s
Copenhagen	0/32	-3/27	sn	5/41	0/32	sh
Costa Del Sol	21/70	8/46	pc	17/62	9/48	pc
Dublin	12/53	3/37	sh	12/53	2/35	sh
Edinburgh	6/43	2/35	sh	11/52	4/39	r
Florence	16/61	7/44	s	16/61	8/43	s
Frankfurt	7/44	2/35	sh	10/50	4/39	sh
Geneva	12/53	3/37	sh	10/50	4/39	sh
Helsinki	-8/18	-15/5	sf	-6/22	-14/7	pc
Istanbul	11/52	3/37	pc	13/55	6/43	pc
Las Palmas	23/73	15/59	s	24/75	17/62	pc
Lisbon	14/57	8/46	sh	15/59	8/46	pc
London	11/52	6/43	sh	11/52	5/41	r
Madrid	18/64	3/37	c	13/55	1/34	pc
Milan	16/61	4/39	pc	13/55	4/39	pc
Moscow	-3/27	-8/18	sf	-6/22	-11/13	pc
Munich	11/52	2/35	sh	13/55	2/35	pc
Nice	18/64	8/46	s	17/62	8/43	pc
Oslo	-4/25	-14/7	pc	-4/25	-9/16	c
Palma	18/64	11/52	pc	14/57	9/48	pc
Paris	13/55	8/46	sh	11/52	5/41	r
Prague	2/35	1/34	sn	8/46	0/32	pc
Reykjavik	4/39	-3/27	s	2/35	-3/27	pc
Rome	18/64	8/46	s	18/64	9/48	s
St. Petersburg	-9/16	-14/7	sf	-9/16	-15/4	sf
Stockholm	-5/24	-13/9	s	-3/27	-10/15	pc
Strasbourg	11/52	4/39	sh	10/50	2/35	sh
Tallinn	-8/18	-14/7	sf	-6/22	-14/7	pc
Venice	11/52	5/41	pc	12/53	5/41	pc
Vienna	8/46	2/35	c	11/52	3/37	pc
Warsaw	-2/29	-7/20	pc	3/37	-2/29	s
Zurich	10/50	3/37	sh	9/48	2/35	sh

Oceania

Auckland	22/71	16/61	c	23/73	16/61	pc
Sydney	26/79	19/66	s	26/79	19/66	pc

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



North America
Toronto and Montreal through Boston and New York will have dry, very cold weather Sunday into Tuesday. A storm will be gathering in the Lower Mississippi River Valley Monday. Heavy rains will break out along the Gulf Coast. Snow will fall in the Midwest

Europe
Heavy rains over Spain, Portugal and southern France Sunday into Tuesday will be accompanied by mild weather. It will turn springlike from Rome and Belgrade through Istanbul, Turkey. Cold weather will be confined to northern Scandinavia and the northwestern former USSR.

Asia
Beijing through Seoul will turn colder Sunday with a few snow showers at Seoul. Monday and Tuesday will be cold with some sunshine. Japan will be milder Sunday into Monday. Showers Monday will be followed by windy and cold weather Tuesday. Manila and Bangkok will remain mainly dry and warm.

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Beirut	19/66	11/52	s	17/62	11/52	pc
Cairo	22/71	8/46	s	18/68	8/46	pc
Damascus	16/61	4/39	s	13/55	3/37	pc
Jerusalem	16/61	7/44	s	14/57	7/44	pc
Luxor	29/84	7/44	s	25/77	2/35	pc
Riyadh	24/75	12/53	s	26/79	13/55	pc

Latin America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Buenos Aires	27/80	20/68	pc	29/84	20/68	t
Caracas	29/84	18/64	pc	29/84	19/66	pc
Lima	26/79	21/70	pc	27/80	21/70	pc
Mexico City	22/71	8/46	pc	22/71	7/44	pc
Rio de Janeiro	39/102	28/82	pc	34/93	26/79	pc
Santiago	27/80	12/53	s	29/84	11/52	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Bangkok	34/93	23/73	s	33/91	23/73	pc
Beijing	7/44	-4/25	sh	2/35	-13/9	pc
Hong Kong	17/62	13/55	c	18/64	13/55	pc
Manila	33/91	22/71	pc	33/91	23/73	pc
New Delhi	25/77	11/52	s	25/77	11/52	s
Seoul	7/44	-5/24	s	4/39	-7/20	pc
Shanghai	11/52	1/31	s	9/48	0/32	pc
Singapore	30/86	24/75	s	29/84	24/75	pc
Taipei	19/66	12/53	c	19/66	13/55	pc
Tokyo	5/41	-3/27	c	7/44	-2/29	pc

Africa

Algiers	22/71	13/55	s	18/64	11/52	pc
Cape Town	21/69	20/68	s	28/82	17/62	pc
Casablanca	20/68	7/44	s	19/66	9/48	pc
Harare	22/71	2/35	s	28/82	9/48	pc
Lagos	33/91	26/79	s	33/91	26/79	pc
Nairobi	26/79	10/50	pc	28/82	13/55	pc
Tunis	22/71	12/53	s	21/70	11/52	pc

North America

Anchorage	-10/15	-19/-2	s	-9/16	-19/-2	pc
Atlanta	11/52	-2/29	s	12/53	1/34	s
Boston	0/32	-11/13	sn	-3/27	-10/15	s
Chicago	-4/25	-12/11	pc	-4/25	-9/16	pc
Denver	13/55	-1/31	pc	12/53	-2/29	pc
Detroit	-4/25	-12/11	pc	-5/24	-12/11	pc
Honolulu	27/80	19/66	pc	27/80	18/64	pc
Houston	13/55	2/35	pc	19/66	10/50	pc
Los Angeles	20/68	10/50	pc	19/66	11/52	pc
Miami	28/82	17/62	sh	26/79	16/61	pc
Minneapolis	-8/18	-14/7	c	-6/22	-12/11	sf
Montreal	-9/16	-19/-2	pc	-10/15	-22/-7	sf
Nassau	26/79	19/66	pc	26/79	18/64	pc
New York	-1/31	-9/16	sn	-2/29	-8/18	s
Phoenix	26/79	13/55	s	25/77	10/50	pc
San Fran	16/61	9/48	c	17/62	11/52	pc
Seattle	11/52	6/43	sh	12/53	8/46	sh
Toronto	-9/16	-13/9	pc	-7/20	-11/13	pc
Washington	2/35	-8/18	sf	0/32	-8/18	s

POSTCARD

Here Today, Gone Tomorrow: Instant Surroundings

By Enid Nemy
New York Times Service

NEW YORK — It's a department store, sort of. Just one problem — it stocks almost a million items, give or take, but rarely is anything for sale.

What's it all about? Think ephemeral, think make-believe. Think about the backgrounds in all those magazine ads and commercials and the rooms on stage and screen.

Props for Today, which furnishes many of those sets, doesn't have everything under the sun, it just seems that way — three floors of sofas, beds, dishes, clocks, pictures, desk sets, perfume bottles, bird cages, hat boxes, signs, teddy bears and on and on, old and new, period and modern, all ready to be shipped or carried away without any lasting commitment. Everything in this emporium is, with few exceptions, for rent only.

Props for Today is one of the city's leading prop sources for stylists, set designers and other people whose business is furnishing here-today-gone-tomorrow backgrounds. It was started 14 years ago by Dyann Klein, who at the time was in the same profession as many of her present customers — a stylist, choosing and collecting appropriate props for commercial photography.

Today, her clients include not only ad agencies and photographers but also designers for theater companies (New York Shakespeare Festival, York Theatre Company, Jewish Repertory Theatre, Pan Asian Repertory Theatre), movies ("Scent of a Woman," "Six Degrees of Separation," "Carlito's Way") and television ("Another World," "Law and Order," "Saturday Night Live").

The stone dog wearing a Christmas bow in "Home Alone 2," the dining room set in "Scent of a Woman," the sofa in the Nicole Kidman skit on "SNL" — all are from Props for Today.

At one time, according to Kenneth Foy, a Broadway set designer (the 1989 "Gypsy," "Candida"), major galleries would loan furniture in return for a program credit, or would rent an item for 10 percent of its value a week, with the understanding that if the play was a hit the producer would buy it. Now, he says, galleries are increasingly hesitant to risk good pieces.

Klein started Props for Today because she was having trouble getting white dishes, which show off food products to best advantage. "I couldn't borrow them because stores only had floor samples, and the dishes had to be ordered, and they wouldn't rent, which meant the dishes had to be bought and then returned," Klein remembered.

She solved the problem by buying her own stock of white-on-white patterns ("500 feet of them," she says). She not only got the money back but made a profit by renting them to other stylists at a weekly rate of $1 to $10 a dish. When she accumulated enough capital, she added glassware and flatware and, finally, in 1980, with a nest egg of $5,000, opened her business.

Prop rentals often mirror the styles of the times; when Klein started out, oak furniture was popular, then a few years later light wood, followed by the country look.

By the late 1980s there were increasing calls for black and chrome high-tech furniture. Themes also change. A year or two ago, she says, popular themes included sunflowers and Southwest; now two biggies are celestial designs and what she calls "Big-Sky Montana."

A few years ago, Klein began having sales for the public four times a year; the next one is scheduled for March, when the "Six Degrees" couch will be on sale for $1,870 (retail price: $4,342).